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25 August 1983

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No. 2808

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CONFERENCE EXAMINES POPULATION PROBLEM

Cairo AL-AHRAM in Arabic 4, 5 Jul 83

[Article by Bahirah Mukhtar: "We Have a Date in 2000 With 70 Million People"]

[4 Jul 83 p 3]

[Text] What heated and learned debates are going on in the National Conference on Population, which is now meeting three times each week until 18 July?

What is going on inside the preparatory committees for the conference, directed by Dr Subhi 'Abd-al-Hakim, chairman of the Shura Council, and composed of population experts in Egypt who are preparing themselves to face Egypt's fate in the year 2000, when its population will number 70 million, if the population growth rates continue as of the moment without any changes?

What does Dr Subhi 'Abd-al-Hakim, chairman of the Consultative Council, and one of the most important population experts in Egypt, say about the need to adopt a population policy in all the state organizations?

Why does Dr Mahir Mahran, the conference reporter and head of the Family Planning Branch in the National Party, stress that the National Population Conference is to debate the population problem and not family planning? He said, "We would be digressing if the word population always reminded one of family planning, despite the fact that the committees have finally agreed that the development program should progress side by side with the family planning program." If the goal is for "all" to meet equally, have they agreed on the goal which a population policy would achieve inside state organizations, and is there anything new in what the conference participants have submitted?

Did the conference require this volume of information, reiterated in one study and another, when in fact it has a "rapid" study that explains the size of the population problem on life in Egypt up to 2000?

Once again, these committees discussed whether there was a population problem or not. They also discussed once again the need to establish a definite opinion for religion and family planning, despite the fact that this opinion has been announced more than once and documented in books and studies.

The committees also discussed whether we should proceed with the development plan only or should we resort to the family planning program, despite the fact that this adjustment was discussed 3 years ago in a conference directed by the Board of Inquiries. However, it consumed lengthy discussions and ultimately resulted in going along with development plans and the family planning program.

Despite the fact that the ministers of services, planning, finance, mobilization and statistics, and representatives of the National Party and People's Assembly, are members of the Supreme Council for Population and Family Planning, and that there is no need to persuade executives of the necessity to adopt a population policy in their organizations' programs so that a national solution to the population problem can be achieved, and the fact that there is a strategy and an executive plan established by the council to try to implement this, some of the ministries have succeeded in carrying it out and some others have failed or not even tried.

Therefore, there was the danger that the papers submitted to the conference would be devoid of this population strategy, and therefore Dr Mahir Mahran, the conference reporter, scrapped his idea, which he had announced at the beginning of the debates, on the need to gather these papers together in one book. Dr Mukhtar Haludah, chief of the Agency for Mobilization and Statistics, said that the papers were nothing new.

A media pamphlet also appeared at the conference, which stated that 92.8 percent of husbands and wives do not see any media message on television and that 6.9 percent do. An official corrected this, saying that the figures were reversed. Was it a typographical error?

Despite a statement that appeared in one of the daily papers, stating that legislation would be forthcoming from the conference to eliminate the subsidy for the fourth child and raise the legal age for marriage, the incentives committee decided not to apply any negative legislation against the citizens.

#### Balance Between Population and Food

Dr Subhi 'Abd-al-Hakim, chairman of the Consultative Council, who is managing the conference's sessions, said: "The agricultural committee discussed the role of agricultural development in achieving a balance between population and food. However, we must distinguish between agricultural development and comprehensive rural development.

"We must achieve raising the standard of living in the rural areas, so that that will affect birth patterns and so that 'the flight' from rural to urban areas can be stopped.

"The flowering of education has revolved around adopting policies and measures to promote education; there are three mutual connections between education and the population problem which should be discussed:

1. The level of education and the level of fertility and childbearing.
2. How education can play a role in reducing the rates of population growth.
3. The relationship between illiteracy and population increase.

"It is well known that the Ministry of Education has increased in all its curricula the concepts of population education, but do they reach the students through a trained teacher? This fact was not discussed by the ministry undersecretary who gave the committee report."

#### The Role of Scientific Research

Regarding the role of scientific research, which insures a policy that will lead to a solution of the population problem, and not merely a review of the problem without finding a path to achieve this goal, Dr Subhi 'Abd-al-Hakim, chairman of the Shura Council, said about the economic committee's reports, and especially the second report submitted by the al-Sadat Academy for Administrative Sciences: "It has no bearing on the population problem. We are not holding a national conference on population, but rather, economics. On the contrary, the second economic report stated in its foreword, 'The statistical facts confirm that fertility in Egypt is constantly declining. That is not due in the first place as much to efforts made by family planning as to the natural decline in birth rates.'

"That is, the report is a review of the problem, but does not follow the scientific method when it ignores the role of the family planning program, after other research has confirmed that the rate of using contraceptives has increased from 21 percent in 1979 to 34 percent in 1982 among husbands and wives.

"The second economic paper discussed subsidies without tying them to the population policy. It emphasized that the real problem with subsidies is not with the amount of 1.6 billion pounds that went directly to the people, but the real problem is with the indirect subsidies that amounted to nearly double this figure! It also discussed various other matters, such as the losses of companies, the dollar's exchange rate and its effect on imports."

Dr Subhi 'Abd-al-Hakim went on to comment: "However, this report is not devoid of flashes of brilliance, such as highlighting the idea that there is a 'defect' in development thinking, but not just simply saying that development thinking is constantly crystallizing before the demands of reality. The current economic situation is the result of various policies which have accumulated on top of each other in layers. It has become difficult to achieve a blend between these layers because they cannot be blended together. Those who try to crystallize a formula for development are trying to take ideas from all the theorists, and this is most difficult. However, Egypt does not face this problem alone. On the contrary, the whole world does."

He said that the role of the economist is not to identify, but rather to find the solution from the Egyptian reality and in light of the political and social composition. "Doesn't the economist lose 'the feel' of the place?"

Also, the matter of subsidies and inflation should have been discussed in this paper, to the extent that it would help to solve the population problem. Dr Subhi 'Abd-al-Hakim said: "All of us are trying to reduce the subsidies which cost 2 billion pounds. The government was able to reduce it to 1.6

billion, but wages were increased by 400 million pounds from this surplus. It was a trifling increase that the individual didn't even feel. This is what can be done from that one pie in which we all share. Ten years has been set to get rid of the subsidy; the first stage will take 3 years, while the second will take 7."

As for the paper submitted by Dr 'Ali Lutfi, former minister of finance, it discussed, as the chairman of the Shura Council said, the solutions in light of the reality which cannot be radically changed in the immediate future. He said: "However, I emphasize that family planning is not a substitute for development, but is complementary to and supportive of development. This is a logical diagnosis, but he talked about the standard of living being in a constant decline. If we concede Dr Lutfi's statement, what do we mean by decline in the standard of living? Does the Egyptian citizen eat better now or worse than 20 years ago? Does he dress better or worse? Is he better housed than when he suffered from a housing crisis? A cultural and spiritual question remains. What is causing the decline now, or is it being decided in comparison with what is happening abroad? There is in fact a large country near us in which the standard of living is rising much faster than in Egypt. However, can what is happening in our country be called a decline in the standard of living or are there 'startling aspirations' which we are unable to satisfy? Feelings of dissatisfaction were generated after means of communications got through to us."

However, Dr Mukhtar Haludah, head of the Agency for Mobilization and Statistics, said with respect to this question: "We do not live in isolation from the world in which the standard of living has risen. Therefore, economic comparison with the world abroad is suggested, and with the passage of years, we will find ourselves on a 'lower' level than the rest. The question now is, will the population with its current skills be qualified to cope with the technology to reclaim the desert and to work the hours required instead of three-fourths of it?"

Moreover, Dr 'Ali Lutfi's study discussed the negative and positive incentives in order to move toward the small family, such as eliminating the subsidy for the fourth child, and raising the marriage age. The negative incentives were met with rejections, and Dr Subhi 'Abd-al-Hakim said: "When we eliminate the fourth child subsidy, who do we punish, the child or his parents?"

As regards the positive incentives, the former finance minister proposed granting the married employee or worker an exceptional bonus if he has been married 5 years with not more than two children, provided that this is repeated every 5 years if he stops at the two child limit.

As for farmers who own five feddans and have been married for 5 years with only two children, they would be exempt from being taxed on one of the feddans they own or on 20 percent of the taxes imposed upon them.

Dr 'Aziz al-Bandari, chief of the Family Planning and Population Agency, commented by directing a question to Dr 'Ali Lutfi, the former finance

minister: "I sent you decisions concerning negative and positive incentives while you were finance minister whose preparation in the Supreme Council for Population and Family Planning discussion and approval in the cabinet and the party took a period of 3 years but they were not implemented."

The former minister said, "There is a grace period for the post of minister and during it, I was in a period of 'lame duck time.'"

#### The Question Now?

Why didn't the minister who came after him implement these decisions?

Dr 'Aziz al-Bandari also wanted to point out that there were many decisions issued by the Supreme Council for Population and Family Planning aimed at achieving a population policy in the government through the executive agencies.

Dr 'Aziz al-Bandari then said that emphasizing the role of development and family planning side by side in former finance minister Dr 'Ali Lutfi's study was an important trend by economists, since they should not always direct their thinking toward development as economic development only, because it is not just increasing income or the median income of the individual, as much as the fact that it means a change occurring for a human being and his participation in technological progress. "Development is not just a substitute for more development. It pains me to mention the name McNamara, the former head of the World Bank, who said that the Egyptian people were eating on 3 days of their efforts and 4 days of someone else's efforts, and he thereby blocked the loan."

He said that he does not recognize the existence of either short-term solutions or other long-term solutions. He said that countries like Thailand, Taiwan or Singapore have achieved rapid growth like the "jumping of a frog," and have achieved rapid development through technological progress, raising human capabilities and a program of development and family planning. Why don't we study these experiences?

#### We Have 11 Million Workers Now

Dr 'Abd-al-Fattah Nasif, a consultant in the Institute of National Planning, said in a paper about the work force:

"Rapid population growth increases the size of the work force by high rates. The work force increased from 7.8 to 11 million workers during the period 1960-76. The work force in settled areas is much higher than in the countryside, which has led to an increase in the share of the settled areas' national work force from 35 to 43.6 percent during this same period."

Agriculture is on the short end of a constant decline in the work force, since it has increased in the other activities. At the same time, the chairman of the Consultative Council stated that training and education could play a role in putting an end to the shortage of agricultural labor in rural areas. Training experts complained about the lack of a training budget; 52 million pounds was provided for this purpose, but unfortunately, the training program was not implemented and the budget no longer exists.

The question now is, how can we achieve a population policy through a development plan?

[5 Jul 83 p 3]

[Text]

#### Roots of the Problem Lie in the Egyptian Village

It is certain that there is a firm connection between population and development.

Increase in population directly influences development plans. Ambitious development plans are considerably affected by any increase in the numbers of population.

Development in its general planning concept is a constant cycle carried out by the state through its various agencies, while the Supreme Council for Population and Family Planning is tied in to the development plan through the population policy.

In this regard, it submits model projects to achieve this goal. One of these projects is the population and development project, which is aimed at stimulating the local units in the heart of the Egyptian village, since that is where the real problem of population increase lies, along with the flight of labor to other Arab countries, and then their return again as non-productive consumers. Land lies fallow, and some 50,000 feddans a year are taken away. The green strip upon which 45 million people live is shrinking!

The question is, how can we raise the village standard so that its inhabitants will not flee from it? Will that ultimately lead to reducing the birthrates in the rural areas, after the glad tidings of hope that began in December 1982 with the announcement that the birthrates had declined for the first time in Egypt's modern history, from 41 births per 1000 annually to 37 per 1000 for 1982?

How can the local units be stimulated to adopt a population policy, so that conference decisions and recommendations on the summit level do not remain unimplemented on the base level? From this point came the experiment of the population and development project, which has now been implemented in 12 governorates since 1977, to cover 525 local units comprising 2915 Egyptian villages, serving 14 million people representing 70 percent of the Egyptian countryside in its entirety. The population problem and its causes lie in these villages. Through the study made by the Family Planning and Population Agency, along with the Secretariat General for Local Government and the Village Construction and Development Agency, this project emerged, incorporating two ideas on the base level to solve the problem. The two ideas are "development" and "family planning."

The question that comes to light now is, how does development influence the family planning program?

The answer is simple. The composition of the advisory committee, on the level of the local unit in villages in which the project has been implemented, includes all the village's leadership, as well as representatives of the executive ministries that give their decisions from "above." The social specialist and the female rural leader participate, along with representatives of the political party, the local and people's assembly, religious leaders, the doctor and public leaders in the village. Instead of each of them working alone in a plan not targeted at a population policy, all of them meet together to decide how to encourage the village to raise its standard of living and to provide services, especially health services, and to confirm the role of the female rural social worker in making the peasant women conscious of the importance of family planning.

However, what is the development program that this project offered?

It has offered some 705 development projects, including 12 agricultural machinery projects, 69 communications projects, 132 projects for the employment of women, through training on sewing machines, and rug and carpet making, along with the distribution of sewing machines after training, 26 food security projects, including beehives, poultry fattening and ice making, 10 projects to restore the environment, 14 projects involving wood and metal working, and 442 projects concerning [word indistinct] services, study classes, renovation of local units and mosques, and establishment and support of day nurseries.

Has the project achieved its population goals?

In al-Qalyubiyah governorate, births were reduced by 1.2 per 1000 in 1982. Governor 'Umar al-Akhar said that the project was now 4 and 1/2 years old. Despite the fact that it has not yet spread to all villages in al-Qalyubiyah, it has offered development projects to the village, which have influenced the movement of life within. For example, the agricultural machinery project provided the village with a tractor that tenants can join in using, in order to get away from the idea of many children to work in the fields. The project has also helped to raise the quality of life through improving the drinking water by purifying it through use of the tractor motor. This project also stressed the "return" of the Egyptian village to poultry breeding projects after the village had given them up. The people of the villages had turned to demanding the establishment of consumer cooperatives in order to purchase meat, frozen chicken and eggs! After the village had exported these products to the city, it then wanted to import them!

Muhammad 'Abd-al-Mun'im, head of the Tarsa village unit in al-Qalyubiyah governorate, said that all of these projects were discussed in the advisory committee, along with the people's inclinations toward small families, so that the leaders could be directed to work on behalf of the women who were reluctant to visit the health unit, which supplied them with contraceptive pills. After the doctor decided that they were suitable for use, the number of frequent visitors to the Tarsa family planning center rose from 115 to 675 women. The head of the unit said that when the people see the integrated services in the village, they are able to go along with the new ideas that are coming into the village.

## What Is the Role of the Family Planning and Population Organization?

Muhammad 'Abd-al-Mun'im said: "We wanted to build a center for vocational training for the youth of the village. Its costs were estimated at 25,000 pounds, of which the family planning organization paid 7000, while the residents and the governorate paid the rest. This is what is done in all the projects."

### Popular Participation and Development

The preparatory committees of the National Conference on Population discussed the need for popular participation in the development process.

Dr Ibrahim Muharram, a population expert in the Social Research Center of the American University, concentrated on the need to deal with the cooperative sector, whose membership includes thousands of popular rank-and-file who can play a main and essential role in the development program in rural areas with regard to a population policy.

Furthermore, Dr Hilmi al-Baramawi, undersecretary of the Ministry of Health, is participating with the American University's Social Research Center, which offered the experience of a female social worker in the role of raising the standard of services and their effect on increasing the number of visitors to the family planning centers in al-Minufiyah. This was confirmed by Dr Sa'd Jadallah, the head of the center, in his report about the hope to reduce the birthrates. The Family Planning Organization is participating with them in a new integrated project that incorporates the al-Minufiyah experience and the experience of the population and development project.

The preliminary results of the population and development project prove that only 14 percent of married women, or those who had been married, between 15 and 49, practise [the use of contraceptives]. After the project, this increased to 42.1 percent over a period of not more than 2 years.

A study was made of 32 villages within the project and 53 villages that were not. It was proven that the percentage of women who had heard about the pill reached 90 percent in the project villages, compared with about 85 percent in the villages that were outside the project. Those that had heard of coils numbered some 62.9 percent in the project villages, compared with about 47.3 percent in the other villages. The study also showed that the percentage of pregnant women at the time of the study was 13.4 percent in the project villages, compared with about 15.5 percent in the other villages.

Further, the percentage of women who wanted to bear more children in the future was estimated at 39.5 percent in the project villages, compared with about 43.9 percent. This project established a strong influence in Lower Egypt, but its influence was less in Upper Egypt, which requires an intensification of project activities, in view of the extent of backwardness and resistance to change in those areas.

No matter what the positive or negative aspects regarding this project may be, it is the support for a popular base to get the local units moving. Other

experiences and model projects must be added to it, in order to integrate the services. For example, the experience of Dr Hamdi al-Hakim, the governor of al-Minufiyah, was put in a report on incentives to those working in family planning clinics in the governorate, detailing the sale and quantity of pills which were registered or the coils that were fitted. He established incentives to improve the citizenry's acceptance and to raise the efficiency of performance, as well as the number of repeat visitors. Moreover, he concentrated on incentives for fitting the coil being higher than those given to those who accepted the use of the contraceptive pill, since convenient methods are more effective and constant in the rural areas.

#### The Problem of the Administrative Gulf

Ahmad 'Abd-al-Fattah, a population expert and one who has been active with the population and development project, training the leaders who coordinate between the work inside the village and the leadership in the governorate, said that projects like these suffer from stagnation due to "middle management." There is an "administrative gap" between the leaders of the decentralized local government and officials in the village.

Dr Sabri Zaki, the minister of health, emphasized this fact during the discussions of the preparatory committees for the conference, when he said that "the responsibility of family planning in the provinces is lost between the undersecretary for planning in medical treatment and the undersecretary for preventive medicine with both of them taking turns with the work. Some official from the directorate of health in each province must be exclusively occupied with pursuing the work of the health units. Research has established that even after performance was improved in some of the health units, the percentage of repeat visitors did not go up, which requires assistance from the executive and informational agencies in the village."

Dr Amal 'Uthman, minister of state for social affairs, stated: "We must elevate the female working force, because advancing the status of women will radically change her image and lead to the smaller family. The fact is that the ministry has an important role in the rural areas, in terms of productive families as well as training. Women represented one-quarter of the work force in the governmental sector, but less than 7 percent of the total work force 3 years ago. Now she has reached about 19 percent of the work force. We must push employment opportunities for women in rural and urban areas, so that she can achieve 33 percent employment."

Dr Sarah Lawzah, a social expert and scholar, said that going out to work influences the woman's fertility, when there is a connection with the idea of "consumer ambition." This is a new indicator that has appeared in new studies.

Moreover, Maj Gen Zaki Badr, the governor of Asyut, was also one of the speakers at the preparatory committees for the National Population Conference, where he discussed the role of the local units and the need to stimulate the regional council for family planning in the governorates to commit all the directorates and all the popular and executive agencies concerned to the

decisions of this council and to make progress on the various levels, in order to bring services to the villages.

He said: "Asyut has 2 and 1/4 million people and 400 villages. There is the University of Asyut and the al-Azhair University. This educational climate could interact with the environment so as to adopt new population policies. In the Population and Development Conference held in our governorate, the importance of facing the population problem with comprehensive rural development and family planning was stressed, along with constructing new cities for the young people to emigrate to. Asyut is building al-Shams City in its desert area now."

At the same conference, Dr Mahir Mahran, secretary of the National Party's Family Planning Branch, emphasized that the experience of conscious leadership must be used to stimulate action on the decentralized level. He said: "We cannot raise the standard of living through loans and debt, but rather through action. The heavens do not rain gold or silver, and we cannot import 'westerners' to work."

#### Upper Egyptians and the View of Religion

Discussions of the religious view concerning family planning and the method of the [Islamic] call on the village level through the advisory committee, provoked debate at the same Asyut conference. Sa'id Mahmud 'Umar, head of the Manfalut center, and the holder of a master's degree in Islamic law, said that "faith has an effect on souls. Unless we act from the reality of our faith, we do not act at all. The view of religion regarding the population problem has passed through three stages: the stage of birth control, which clashes with faith; the stage of family planning, which is desirous and wanted, and the third stage which is population and development. He has intervened to increase production and the abundance of requirements to meet the increase in population. In His words, 'He is the one who makes the earth tame for you. Walk in its highlands and eat of His blessings. His is the resurrection.'" This surah says that effort and work are obligations.

Dr Muhammad Ahmad Fakkar, an assistant in the College of Religious Law of al-Azhari University in Asyut, said that abstinence due to nursing is permitted for 2 years.

I asked him: "Does that mean that family planning is forbidden after the end of the nursing period?"

He said: "I don't mean that. On the contrary, couples have the freedom to choose to continue the abstinence or to prohibit it."

'Abd-al-Hafiz Abu Hashish, head of the al-Ghanayim center, said: "Every man has his blessing, but we must not tie our hands concerning birth control and child bearing. On the contrary, we must organize our lives."

The Upper Egyptian has determined his view concerning religion. It remains for his leadership to spread these ideas in the village.

The most courageous ideas were discussed in the Population and Development Conference in Asyut, when three of the members of the information committee demanded that sex education be put into the schools. One was a teacher, the other a social specialist and the third was a head of a unit. Despite a revolt stirring around them on the rest of the committee, it was a partial step for the Upper Egyptians, upon whom fall the jokes of the Cairenes.

Muhammad 'Abd-al-Salam, director of training and information in the Family Planning and Population Agency, is now preparing a study evaluating the work of the population and development project and its evolution in light of the social and economic changes in the Egyptian village.

In this regard, Sayyid Mahumud 'Umar, head of the Manfalut center in Asyut, said: "The project is now in 48 local units. There is a concentration on services in the units, while neglecting the villages dependent upon them. Moreover, the training program pertaining to local leadership and female rural social workers must be developed and intensified. Home industries must also be established in the villages, so that the workers that we need to raise the standard of living will [not] emigrate. We must also reduce illiteracy on the village level and face up to this problem."

Mahmud Jawdah, chief of the local unit in Musha, also emphasized the need to increase the incentives for female rural social leaders. Tal-at al-Sharif, director of the village's development projects, said that there were 189 governmental economic projects which require the cooperation of the inhabitants with the government, but that there was an absence of trust between the citizens and the government. "We must restore this trust through successful projects in the villages, instead of the cities, so that the laborers do not flee to them."

Hilmi Sulayman, secretary of the [Islamic] call and thought in the National Party in Asyut, said: "The political party must have a basic role in overseeing the advisory committees in the villages and endeavor to overcome all the obstacles before them on the central level. In that way, a reunion will be achieved between the summit and the base, and confidence will be restored."

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ROLE, ACTIVITIES OF INVESTMENT BANKS DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 753, 20 Jan 83 pp 18-20

Article by Nu'man al-Zayyati: "The Degree to Which the Investment Banks Are Effective"

Text In recent years there has arisen a dispute concerning the achievements of the investment banks and what they have done for the benefit of our national economy, and there have been different points of view with regard to this. Some people are of the opinion that one cannot evaluate their performance after examining it for so short a period of time, especially if we take into consideration the fact that the general investment climate in Egypt, for a long time, was not one which encouraged the attraction of capital for investment. At the same time, other people are of the opinion that these banks have attempted to attract deposits which were mostly short-term deposits and have taken the easy road of choosing avenues which provide rapid returns on their investments in an attempt to earn large profits during the beginning phase of their existence in order to cover the expenses of establishing the banks and consolidating their competitive position.

The question at this point is: Is there any tangible benefit in having investment banks in Egypt?

Dr Ibrahim Mukhtar, vice chairman of the board at the Misr Iran Bank, says the following: "The basic goal of adopting the open-door economic policy was to encourage the private sector and provide it with guarantees, privileges, and incentives which would enable it to participate along with the public sector in the process of economic development. This was to be achieved by means of allowing foreign, Arab, and Egyptian investors to participate in the establishment of investment projects in areas permitted by Investment Law Number 43 of 1974. One of the areas of investment permitted was that of opening up branches of foreign banks as well as allowing the foreign banks to be partners of Egyptian banks in the establishment of joint venture banks--the belief being that an important role could be played by these banks in the development of the international and monetary market and that the banks could function as channels for transferring capital from international markets to Egypt as well as centers for the evaluation of projects and their administration, for providing services to consultants, and for helping them to bring technology to Egypt. Although the results achieved by these banks have

not lived up to the role that it was hoped they would play, these banks have nevertheless achieved accomplishments which cannot be disregarded. Although the making of investments in Egypt has been faced with some obstacles, such as anticipated delays on the part of the private sector and government organizations in Egypt, there have been accomplishments which cannot be disregarded, and these accomplishments can be summed up as the following:

1. The attraction of deposits and savings, as well as the development of banking services in Egypt. This is something which has impelled Egyptian banks to adopt similar measures in order to be able to deal with this competition on the part of the foreign banks.
2. Some investment banks which have recently been established have concentrated their activities in the field of investment. They have played a pioneering role in the search for investment opportunities by establishing projects and arranging the necessary financing by means of methods accepted in the international markets in order to meet the financing requirements of some of the large-scale projects. They have done this by means of procuring participation loans, issuing guarantees to insure foreign loans, and providing credit for the purchase of the equipment needed by some of the projects. It is true, however, that a large number of these banks have not participated in this area in any positive way since they have only been looking for opportunities to make easy profits."

#### Investment of Deposits in Foreign Markets

Concerning the investment of the deposits of these banks in foreign markets, Dr Mukhtar said: "As we know, both Egyptian and foreign banks have been continually endeavoring to increase their deposits of both Egyptian and foreign currencies and have been paying interest on these deposits to those who make the deposits. Consequently, the banks' orientation is in accordance with the structural composition of these deposits, and they also take liquidity requirements into consideration when dealing with any withdrawals of these deposits. In view of this fact, these banks endeavor to invest these deposits in various fields, especially the field of granting loans and credit. We note that the domestic market's absorption capacity is less than the financial resources which these banks have available in the form of deposits. This is something which has impelled these banks to reinvest their surplus liquidity in the form of deposits in foreign markets. This has been true for both Egyptian banks and foreign banks. The purpose in doing this has been to utilize idle capital which they have had."

#### Role of the Investment Banks

Dr Madhat Hasanayn, professor in the American University [In Cairo], is of the following opinion: "The investment banks have come to Egypt in order to operate within the framework of the sectors existing in Egypt, which are the public, private, mixed, and foreign sectors. It was necessary for the economic open-door policy banks to determine a role for themselves and to take into consideration the fact that they, like all [Commercial] establishments, were endeavoring to earn a profit as a result of their activities. They

discovered that their profits basically resulted from financing international trade, the volume of which began to increase from year to year. They channeled most of their resources, which were, of course, short-term resources, into international trade in order to increase the circulation of capital in it. They consequently provided the foreign trade sector with most of its financial requirements. After that they began to expand their loan activities to include the fields of industry and agriculture. In this regard, they found that the following basic matters had to be borne in mind: the resources of these banks, by their very nature, are limited. When we look at the capital of these banks, we find that it totals between \$10 million and \$15 million, although the authorized capital of these new banks is more than \$20 million. Anyone who learns this fact realizes that a single project could absorb the total capital of one of these banks. In addition to this, most of the deposits are short-term deposits. How could such deposits be invested in transactions involving participation in medium-term or long-term loans or capital? This has also been something which has been responsible for the fact that these banks have had limited available resources."

#### Marketed Loans

"The banks, among themselves, have resorted to what is called 'marketed loans,' and some of them have begun to play a major role in the marketing of such loans. Under this system, information is learned about investment projects which require long-term financing, a particular bank studies the various aspects of a particular project, and then this bank presents this project to a group of banks which have a fair amount of medium-term resources and asks these banks to participate with it in providing the necessary financing for this project."

Dr Hasanayn went on to say: "These banks have attempted to expand their activities to include the public sector, but this endeavor of theirs has met with a number of difficulties, including the following:

"Most of the public sector companies have different financing structures. By this I mean that the present volume of credit which these companies obtained from the banks of the sector is far larger than the capability of these banks of servicing these loans in terms of repaying both the principal of the loans and the interest charged on them. It has been difficult for these banks to increase the volume of their debts which is already high in relation to the resources and capabilities of these companies.

"In addition to this, the prices of the products of this sector are subsidized prices rather than economic prices. That is, an indirect subsidy is being provided by the government to persons who consume these goods. This has been responsible for quite a few losses suffered by the public 'industrial' sector in particular. Why should banks extend loans to companies which are in the red, knowing that it will be difficult for them to repay the loans? This is something which is not in accordance with the basic principles of extending credit."

### Increase in the Volume of Credit

Dr Hasanayn goes on to say: "The volume of credit extended by the open-door policy banks has increased considerably during the last 5 years. There has been vigorous competition among these banks. This competition has caused some of them to disregard some of the traditional principles involved when extending credit. Also, other banks, in view of the fact that they have adhered to these principles of extending credit, did not expand their credit operations and thus lost some of their clients because they were attracted by other banks. The effect of this was to increase the number of loans concerning which there was doubt that they could be repaid, and if the incomes of clients taking out such loans were viewed in terms of the normal criteria for granting credit, these clients would not have been granted this credit."

### Problems Faced by the Investment Banks

As for the most important problems faced by the investment banks in Egypt, Dr Hasanayn summed them up as follows:

- "1. Changes in economic legislation at close time intervals undoubtedly affect the economics of any project. An example of this was the ministerial decree issued which stipulates that customs duties be paid in foreign currency. We know that the price of the dollar sometimes is as high as 120 piasters. How, then, can a project succeed if its economics are based on the exchange rate of 70 piasters to the dollar?
2. Although there is a paragraph in the Investment Law which stipulates that all production requirements be imported directly from abroad, there also exists a decree which makes it necessary for these companies to submit lists of their production requirements to the Guidance Committees.
3. In addition to this, when one wants to get approval for an investment project, one must go to many different authorities to obtain this approval. Even the Public Investment Authority must go to numerous government organizations in order to obtain their approval for a given project.
4. There is not enough appropriate land available for setting up investment projects. The fact is that a lot has been said about establishing industrial parks, but so far nothing in practice has been done about this. A person who takes a look right now at the investment market in Egypt will discover that there are many projects which exist on paper and that these investment projects do not have locations available where they can be set up."

### Alleviation of the Pressure on the Balance of Payments

Dr Mahmud 'Abd-al-Hayy, an expert from the National Planning Institute, had the following to say: "It is said that the banks established under the Arab and foreign investment laws [in Egypt] have contributed toward alleviating the severity of the pressure on the balance of payments (by means of reducing dependence on suppliers' credit and short-term bank credit, both of which are

extremely costly) in addition to facilitating the financing of imports--and there has been no pressing need to increase exports or procure new sources. This type of justification for the activities of these banks is one which is unacceptable and constitutes a flagrant misrepresentation of the facts. The indisputable truth is that these banks, which were established as a result of the exceptions and privileges involved in the Investment Law, are exhausting the foreign currency resources which Egypt and the Egyptians have. They are also increasing the burden on the shoulders of the Egyptian national economy by increasing the deficit in Egypt's balance of payments. Our proof of this is that, from 1975 to 1981, the investment and business banks acquired--on the average per year--43 percent of their new resources from Egyptian sources, whereas foreign sources supplied them--on the average per year--with only 38 percent of their new resources. Yearly figures for this period show a definite trend on the part of these banks toward relying on domestic sources for their financial resources and toward a corresponding decrease in their reliance on foreign sources for their financial resources. If we take into consideration the utilization of these banks' resources, we find that, during the same period of time, foreign countries have monopolized an annual average of 57.5 percent of the total utilization of these resources, whereas the domestic market utilized an annual average of only 23.9 percent of the total utilization of these resources."

#### The Road Toward Increasing the Effectiveness of the Investment Banks

The important question at this point is: What are the most important steps that can be followed now, that is, what is the road to follow in order to increase the effectiveness of the investment banks?

Dr Mukhtar answers this question as follows: "In order that the investment banks play the role they are supposed to, two things must be done:

1. We must have a technical apparatus capable of operating in the field of investment. That is, we must have administrative bodies which specialize in the evaluation of projects and learning about investment opportunities.

2. The investment banks must endeavor to maintain an appropriate amount of capital and must also bolster their reserves by means of utilizing the profits which they earn, and they must also diversify their sources and forms of financing. This will enable them to continue to deal with financing requests made by projects."

"The investment banks must also endeavor to participate in a positive way in both medium-term and long-term financing of projects and they must arrange their resources and apparatus in such a way as to enable them to pursue this basic activity in order to cooperate with other financing and savings organizations in this regard. The higher administration of the banks must determine the objectives which they are striving to attain and must set the policies which will guarantee that they are attained. They must also endeavor to increase the efficiency of their employees as well as create systems designed to evaluate the performance of the banks and develop

and increase their business activities in order that they keep pace with the changes in the nation's economic life."

#### An Information and Credit Risk Center

Dr Hasanayn demands that an information and credit risk center be established which would have available the latest scientific methods for providing all the banks with information and analyses thereof, at all times, in order that these banks receive consistent and non-conflicting information. He said that such a center could provide its services to all banking apparatuses in return for a small charge which would cover its expenses.

#### Role of the Central Bank

Dr Isma'il Shalabi, professor of law at the University of al-Zaqaziq, said the following: "I demand that no more new approvals for foreign banks be issued, and I demand that the Central Bank make a comprehensive survey of the banking resources and capabilities which currently exist in Egypt. I also urge currently existing foreign banks to increase their capital such that none of these banks have capital totalling less than \$50 million. In case the establishment of new banks is permitted, several guidelines should be followed in this regard, including the following:

1. The capital of each bank should be not less than \$50 million.
2. Each bank's investments and deposits abroad should total no more than 50 percent of its total investments and deposits, and the remainder should be invested inside Egypt.
3. Each bank, in its economic feasibility study which it presents when making an application to be established in Egypt, should submit economic studies concerning some production projects in Egypt which it will be financing. These projects must be ones which are included in Egypt's national production plan. In addition to this, the control of the Central Bank over the foreign banks must be consolidated and they must be forced to follow a policy of maintaining a certain percentage of medium-term and long-term investments."

#### The Investment Authority

"The Investment Authority, in cooperation with the government planning organizations, should prepare, one by one, lists dealing with the business activities which are of priority for the national economy. These lists should show all of the data dealing with current production capacity and projected production capacity. Otherwise, its goals and plans will more and more be in the hands of a single person who will treat them however he wishes, not taking into consideration the opinions of people such as university professors and specialists."

Dr Shalabi also demands that the foreign banks sell certificates of deposit of foreign currency in Egypt and abroad which would be issued by either Egyptian banks or the Central Bank, and said that such certificates of deposit should have appropriate interest rates, should be of various denominations, should have various maturity dates, and should be subject to liquidation at any time.

"And finally, resorting to foreign investments and foreign capital should, in general, not be considered to be an alternative to making our own efforts in the realm of financing the process of development. Consequently, if it is sometimes necessary to resort to foreign investments during a given phase, we should nevertheless keep in mind the fact that this is something which should be an exception rather than the rule."

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MOROCCO

DEVELOPMENTS TOWARD LIBERALIZATION IN DOMESTIC SCENE REVIEWED

Cairo AL-SIYASAH AL-DUWALIYAH in Arabic, No 73, Jul 83 pp 143-146

[Article by Ahmad Thabit: "Signs of Recent Democratic Transformation in Morocco"]

[Text] A sort of democratic transformation is now occurring in Morocco in the direction of implanting the phenomena of political and party pluralism in a manner which will help strengthen the continuation of the long march of democracy, which is still wending its way through a system replete with obstacles and interactions and counteractions, as is common among third world societies. Although the experiment is now starting to expand and consolidate itself in slow, timid, furtive steps, it is in any event to be considered in effect one of the most important phenomena and experiments of democratic transformation in the Arab world in particular and the third world in general.

It is worth pointing out that the political forces and parties that are interacting on the Moroccan stage absorbed the lesson of the failure of old Western liberalism in our Arab world the day they made a choice between political pluralism and the demand for liberal freedoms and the social dimension, or the need for social justice. Even the parties which are considered reformist or centrist, and pursue the government line, are now raising the slogan of social democracy and taking stock of the conditions of the poor people in the form of the peasants, workers and lower classes of mid-level social forces, in the light of the current economic crisis in Morocco, in ways which will be apparent later.

Under the slogan "democratic action for all," the Moroccan political parties have embarked on various forms of action and interaction, among the most important of which have been the holding of successive conferences and approaches toward the political man on the street, with the programs and policies they will follow upon coming to power. These parties have experienced a sort of political vitality which has been reflected on the Moroccan citizen with his overall concerns and his preferences among parties, preparatory to the advent of the coming campaign of elections, both those which concern the municipal and communal elections and the legislative (parliamentary) elections. The former took place on 10 June 1983 and the latter are supposed to

start in October after the current session of the Moroccan Chamber of Deputies, which was formed in the wake of the June 1977 elections, comes to an end.

Between the previous elections in 1977 and the ones to come in October 1983, a group of political developments and crises occurred, beginning with the boycott of the results of the previous elections by the parties of the left, in particular the Socialist Union of Popular Forces under the leadership of Abderrahim Bouabid, the first secretary (secretary general) of the party, and proceeding through the events of June 1981, the prosecution of the leaders and headquarters of the Socialist Union and the labor union belonging to it, the Democratic Labor Confederation, and the shutdown of its two papers, the Arabic-language AL-MUHARRIR and the French-language LIBERATION, and ending with the democratic relaxation which came about in the form of an initiative by King Hassan the Second, when, at the conference of African socialist parties held in Morocco last year, he referred to his rejection of the single party format and his assertion that the Moroccan constitution was the only one that rejected such a format. This was followed by the release of Abderrahim Bouabid and 22 other leaders of the party, the restoration of the Democratic Labor Confederation, and the grant of permission for the issuance of the newspaper AL-ITTIHAD AL-ISHTIRAKI in place of its two suspended papers. That was interspersed by a meeting between the king and Bouabid, the attendance by the latter at the reception ceremonies for the French president, Francois Mitterrand, in early February of this year, and the return of Bouabid and the party to participation in political activity, after a short absence.

The coming elections will take place in circumstances which are propitious for Morocco in various domestic, regional and international contexts, ranging from the democratic liberalization inside the country, to the Moroccan presence in the framework of the Arab-Israeli dispute and the attempts at a peaceful settlement, in spite of its geographical remoteness, the Moroccan-Algerian reconciliation, tangible efforts at the solution of the Saharan problem and the attainment of the dream of the Maghreb, and finally Morocco's substantial political and diplomatic presence in international relations, from the perspective of Arab-international relations.

#### Motives and Reservations

The period since the beginning of the current year has witnessed these political transformations and positive preparations for participation by the Moroccan parties in political life, in the light of a number of encouraging initiatives. Above and beyond the partial reconciliation which has taken place with the Socialist Union of Popular Forces and its leader Abderrahim Bouabid, Hassan the Second has asserted his support for the course of democracy, in the well-integrated Moroccan sense, and for the beliefs of the leaders of the political forces and parties there, which seem incongruous in comparison with those of similar organizations in other countries of the third world, and the prohibition imposed on other parties of the left for security reasons has been removed. Hassan II had undertaken to increase the number of seats in the Moroccan parliament from 268 to 300, reflecting an expansion in the scope for participation by Moroccan parties and their chances of getting into parliament. Last but not least, permission has been granted for the establishment of new parties, to enrich political life there, and the parties have been given

the sign to declare their programs on Moroccan radio and television for limited periods of time. It is to be noted that the party structure is distinguished by complexity and interaction, as a consequence of a number of transformations which the parties witnessed during the post-1977 period, especially in the past few months. The most conspicuous manifestation of these was the occurrence of a number of party schisms, the establishment of new parties for the first time, and the return of a number of politicians in exile from abroad. This complexity and interaction has resulted so far in the emergence of 14 parties in addition to the labor unions that are active in politics; 12 of these have accepted the principle of taking part in the coming elections, while two have not -- the National Union of Socialist Forces and the Organization of Popular Democratic Action -- because of a number of reservations, one of the most important of which is a lack of confidence regarding the probity of the coming elections.

However, there are a number of other reservations which the parties that have agreed to participate in the elections have expressed, as follows:

A. The first reservation concerns the sudden declaration of the holding of municipal and village, or "communal," elections, as they are called in Morocco. This caused these parties, especially the Socialist Union of Popular Forces and the Party of Progress and Socialism (the communists), headed by "the venerable historic figure," Ali Yata, to miss the opportunity to prepare themselves adequately. Hassan the Second has taken a partial step toward reform, embodied in the extension of the deadline for submitting nominations by 5 days.

B. The fear that the administration will not be neutral during the coming elections. King Hassan, for his part, has taken the initiative of declaring that he, and the cabinet of Mr Bouabid, will take a neutral stand among competing parties, and that he has decided to remove Amil, the governor of the Province of Meknes, because of his partiality, in the words of official sources.

C. The third reservation, a perennial one, bears on the election colors given to each Moroccan party. These parties have always complained, especially in the 1977 elections, about the type of color granted to them for coloring their papers and participating in the elections. These colors resemble election symbols in Egypt, such as the circle, the clock, and the scale, and are aimed at making matters easy for illiterate voters. These complaints have reached a high pitch because of partiality on the part of the Ministry of the Interior in distributing the colors. The opposition parties, especially the two leftwing ones, consider that the ministry gives colors which are clear and well known to the Moroccan voter, and are fixed as far as their names are concerned in the mind of that voter, to the government parties and parties which are sympathetic to the government. This is as far as the party candidates go; meanwhile, as for the voter, they stir up a flagrant problem of complexity and pluralism in his own mind. While the party of the present prime minister, Maati Bouabid, has been given a clear color, orange, and the old Istiqlal Party, the party which led the struggle for independence from French colonialism, has been given the color pink, the Union complains about its purple color, which is considered confusing to the ordinary voter, because of

the numerous designations for this color in Morocco. The party press has settled on referring to it as the color of "stone," and so forth.

D. A fourth reservation, which Abderrahim Bouabid has declared, concerns the demand to reduce the current voting age from 21 to 18, the common average age in various countries of the world.

E. Finally, there is a fifth reservation, which Bouabid has also voiced, which concerns the need to carry out a general population census, the last one of which took place at least 20 years ago.

#### The Limits of the Agreement and the Opposition

The distinctive characteristic of political and party life in Morocco, even before the emergence of this relatively large number of parties (14), was the broad margin for agreement among these parties on a number of essential matters which touched upon the foundations and structures of the Moroccan political system. Almost all these parties support the retention of the constitutional monarchy there and concur with King Hassan the Second over his foreign and defense policies. (Abderrahim Bouabid declared his support of King Hassan's efforts to host the Fez Arab summit, and the plan of that name, as well as the recent American-Moroccan maneuvers, in his interview with the magazine AL-WATAN AL-'ARABI issued in Issue 310 of 21 January 1983.) In addition, there is their support of the position on the question of the Sahara, since their participation in the green march of 1975. Indeed, the appeal for what is called the "territorial unity" of Morocco first came from Ali Yata, the leader of the communist Party of Progress and Socialism. That might, with respect to the latter position, be explained by the well known opportunistic position of communist parties in the third world, as with the Iranian Tudeh Party, or the National Progressive Grouping in Egypt, or it might be justified in the case of the opposition parties as a whole by these parties' sense of relative weakness in their appearance on the political street or in their political, power and organizational structures. However, it is to be noted in general that these parties direct their opposition toward the government and its administrative agencies, and their economic, social and rural policies. These parties have declared their receptivity to King Hassan's appeal that the coming 6 years, the term of the elected municipal and village councils, be years of "the countryside," or the rural areas, demanding tremendous construction programs of the village councils.

#### The Atmosphere of the Coming Elections

Thus 12 of a total of 14 Moroccan parties will be entering the coming elections to the municipal and village councils in order to compete for the 15,000 seats in these councils, whose number comes to about 1,150, with large numbers of candidates, who come to about 57,000 in number. More than 7 million Moroccan citizens will take part in the elections. However, the Moroccan parties differ in terms of the number of their candidates or the geographical extension of the number of precincts in which they will present themselves as candidates. In spite of the demographic increase and the increase in the number of precincts and thus seats, it is to be noted that the leftwing

opposition parties, in particular, have concentrated in their election campaign on precincts in the cities in which they have greater chances in terms of a political presence and an organizational and power position, as a result, also, of their customary victories in a number of major towns. The candidates of the Socialist Union, for example, do not exceed 2,000, for the 15,000 seats, and it is concentrating on the main towns as it did before. It won in a number of these, such as Rabat, Casablanca, Sale, Meknes and so forth, in the 1976 elections. As for the Istiqlal Party, that has the largest share, since its candidates are represented in 95 percent of the seats for which competition is taking place; its attention ranges from the rural to the urban precincts, by virtue of its deep historic roots and its leadership of the battle for the independence of Morocco.

#### The Recent Culling and Shift among Parties

The Moroccan parties which are getting ready to enter into the coming elections (the municipal, village and general elections) did not take the political form that they assume now. A group of shifts and rifts have taken place in these parties, and new parties have come to prominence. The phenomenon that is worthy of note is that most of the current Moroccan parties were organized by the mother party, the Istiqlal Party, which is similar in importance to the Egyptian Wafd party. The first breakoff from the Istiqlal came under the aegis of Mehdi Ben Barka and Abderrahman Bouabid. The two established the National Union of Popular Forces in 1959. This breakaway was made against the historic leader of the Istiqlal Party, Allal al Fassi, who was succeeded in the leadership of the party by M'hamed Boucetta, the current foreign minister, in 1974. After Mehdi Ben Barka's exile and assassination in France in 1959, Bouabid assumed the leadership of that party, and broke away in turn, creating the Socialist Union of Popular Forces. The other group in the party under the leadership of Abdallah Brahim and Mahjoub Benseddik remained under the historic name of the National Union.

In general, one can state that in spite of the substantial proliferation of Moroccan parties and their numerous titles, one can classify them according to three tendencies: left, center and right, according to certain views within these parties themselves. However, there is another classification which seems correct to a large extent in the light of the nature of the party structure and the political interactions among parties, and thus their ideological persuasions and political orientations, and finally in accordance with the general framework of the relationship between these parties and the monarchial system as a whole, and the paternal personality of the king, "the commander of the faithful," as he views himself. On that basis, one can break them down into two large blocs. Apart from the specifics mentioned above, one can rely on another specific point, which is their political and party position on the current cabinet, under the premiership of Maati Bouabid, in terms of the presence of these opposition parties, through the participation of ministers in the cabinet, or in terms of political sympathy and support in principle. In these two blocs stand the first group, which has been defined within the ideological and political alternatives of the cabinet, and the second group, which takes a contrary position, and in general consists of the parties of the left. One can discuss this in the following manner:

First:

The group of parties taking a position supporting, or sympathizing or participating with, the current government. These may be broken down into:

1. The historic Istiqlal Party, which is led by M'hamed Boucetta, the foreign minister, and contributes seven other ministers to the existing cabinet in addition to Mr Boucetta. The party has a paper which is called AL-'ALAM, in Arabic, and L'OPINION, in French. This party joined the ranks of the government after it had pledged allegiance to the king over the Sahara issue in 1975, and it joined the governing coalition structure in 1977.

2. The Constitutional Union Party, which is considered to be the most recent Moroccan party in terms of age. It held its first conference on 9-10 April 1983, and is oriented toward the middle classes. The party is headed by the prime minister, Maati Bouabid, along with a young minister, Abdelatif Semlali.

3. there is another party which has a presence in the cabinet, through its leader, Arsalane Jadidi, who has the position of the minister of works in Maati Bouabid's cabinet. Jadidi split off in 1981 from the National Rally of Independents Party, and founded his own new party, under the name of the National Democratic Party. This party is represented in the cabinet by four ministers, including Arsalane Jadidi, and directs its appeal to the rural areas, on grounds that it was the peasants who achieved the victory of the green march.

4. The Democratic and Independence Party, one of the parties which engaged in the struggle for independence, but stayed away from political activity for a period of more than 22 years. This party is headed by Touhami Ouazzani, who has succeeded Belahcen Ouazzani in the leadership of it.

5. Another longstanding party with centrist leanings is the Popular Movement Party, which was recognized in 1958 by virtue of the Law on Public Freedoms which established political party pluralism the same year. This party represents the cultural and social outlook of the Berber population. It was established by Mahjoubi Ahardane, who is a minister in the current cabinet, along with three other ministers from his party. The movement won 29 seats in parliament in 1977. Dr Abdelkrim Khatib broke off from the party following the notorious Casablanca events of 1965, when Ahardane supported the state of exception, "the emergency," and in turn, in 1967, established his own new party, the Constitutional Democratic Popular Movement, stressing the country's Islamic nature. The movement won only one seat to parliament in the 1977 elections.

6. Lastly, there is the National Rally of Independents, which is considered a party which had a natural birth, that is, did not come about as a result of a rift from another party. Heading the rally is Mr Ahmed Osmane, the brother in law of King Hassan II, husband of his sister, Princess Nazha. This party arose in the wake of the 1977 elections and the green march of 1975, since the phenomenon of independents, who came to 140 deputies out of a total of 268, became a characteristic of parliament. The rally now contains 81 deputies in its ranks, who make up the relative parliamentary majority in the People's Assembly. The rally presents itself as an oposition party of the center; it enjoys the sympathy of the palace and the king along with it, and their support of its political programs. It calls for solidarity with the king.

Second: The group of parties on the left. These, in spite of the intense differences among themselves on a number of issues and policies, share a

position of opposition to the government and its specific stipulations for entering the elections and participating in political life.

The most important of these parties, of course, is the Socialist Union of Popular Forces, which is headed by Abderrahim Bouabid. Above and beyond what has been mentioned in regard to that, as it enters the elections it is somewhat divided within itself as a result of the dispute which blew up in the wake of the meeting of the party's political bureau last April, and the opposition of Abderrahmane Ben Amar and 33 of his supporters to the party's participation in the elections as well as to Bouabid's policies, which were considered, from their point of view, an armistice with the government. This was confirmed, as far as they were concerned, when the government proceeded to arrest them in the wake of their attempt to break into the site of the meeting by force. The Socialist Union entered into the 1977 elections, its secretary general Bouabid was defeated in his district, Agadir, and it won only 15 seats in parliament. The small presence of this party in parliament does not reflect the magnitude of its popular and political presence among Moroccan men on the street, which is still great relative to its presence in parliament. It is entering the elections with the Democratic Labor Union by its side, which has labor union weight, and, with the recent reconciliation with the king, its political chances in the elections are increasing.

The other two parties are the communist Party of Progress and Socialism, which won one seat in the previous elections, and has a newspaper which is published in Arabic and French, AL-BAYANE, and the March Movement, which continued to exist in exile until it returned to political life under the leadership of M'hamed Bensaid and turned into a party titled the Organization of Popular Democratic Action. It has a paper known as ANWAL, and also supports the king's positions on the Sahara issue, although it refrained from entering the elections because of its lack of confidence in the impartiality of the government. This movement embraces Marxist-Leninist ideas.

#### Future Prospects for Change

The municipal and village elections are to be considered an important political index of the true nature of the relative weights and presence of the political parties in Morocco among the people and the masses. On their bases, the position and status of these parties relative to the general parliamentary elections next October will to a relatively large extent be determined, and these depend on a number of basic specific points, including cohesion of internal structure, the conformity of interests among the personnel and members of the Moroccan parties, the possibilities for the establishment of national fronts and coalitions among these parties, especially in the case of the parties of the left, the position of the government and the administration regarding the elections and the current economic crisis, and finally the position of the royal institution and the person of King Hassan II, his support for the democratic march and whether it will gain strength or collapse and fade as it did following the June 1981 events.

HISTORY, REVERSES OF DOMESTIC LEFT REVIEWED

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/Article by Mustafa al-'Alawi: "The Crisis of the Moroccan Left" /

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/Text/ Morocco, like the whole world, is suffering from severe crises in fields of differing gravity, various forms and diverse magnitudes. Some crises are obvious and others are hidden. However, no matter how numerous the crises might be, death is the same, and that is more serious than crises of death or crises of confidence, more serious than the economic crisis and the crisis of rifts in the society.

A crisis of great scope, known as the crisis of the Moroccan left, has come to the fore during the latest events. French and Spanish experts who had been probing the depths of Moroccan social structure in the course of the many long years of colonialism, had specialized in categorizing the Moroccan political framework, and had tried to cut the roots that linked it to a common reality, had previously reached agreement and unanimity, and were to some extent correct, that "there is no left in Morocco," for a simple reason, which is that there is no right in that country. Proceeding from the premise that Morocco is a country of the center, the bourgeois currents which grew to a limited extent under the aegis of colonialism consisted of feudal families that could be counted on one's fingers and were quickly dispersed and scattered by the winds of independence. In addition, the capitalist entities which grew after independence and thrived in a rapid, suspicious manner, thus in an abnormal, illegitimate manner, had no deep-rooted connections in modern Morocco; indeed, they are considered alien to the Moroccan identity and extraneous to it. Thus no mourner would shed a single tear over it in any event, if the wheels of time sooner or later crushed it.

This conclusion absolutely does not mean that Moroccans have all rejected the principle of private property. To the contrary, the fact that Moroccans adhere tenaciously to their share of the profits, and their readiness to die unless they have spent their life putting together piece by piece, or farming inch by inch, if it is land, makes them socially, one of the few peoples who absolutely will not accept a communist system.

Proceeding from the absence of a notion of a monopolistic right, and its alienness to the state of affairs in Morocco, the justifications of the left are shrinking as economic and social conditions develop, and are disappearing with the emergence of awareness and the development of living styles.

In spite of the awareness of the truth of these choices that prevails in the circles of the politically dynamic, they, through their use of the expression "the left," are drawn to the semantic roots of an imported expression that resulted from the French and Spanish colonization of Morocco. During some period in the history of the foreign occupation of Morocco, the "leftist option" was one of the commodities which the occupation forces brought in, on grounds that they considered Morocco to be an extension of France and Spain, of which it was to become a part. Just as the French brought in a communist union organization and legalized it in Morocco, in order to confront the movement headed by the national bloc in the thirties, it was the Istiqlal Party, after independence, which called the elements which were standing up to it, under the leadership of Mehdi Ben Barka, leftists. Mehdi Ben Barka was careful to avoid that trap; he insisted on linking his movement to progressivism and his philosophy to the revolutionary option.

It was natural that the Moroccan media should adhere to the expression which had worked its way in the expression of "the left," publicize it and pause to contemplate the expression "la gauche," proceeding from limited horizons and devious intentions. These media got what they wanted, and, in view of their means, resources and papers, which had great effect on all the entities in Morocco, Moroccan public opinion fell into the trap, and a misunderstanding occurred. Morocco seriously needed a long period of practice and search in order to arrive at the proper conclusion. When the understanding occurred, and blood started flowing again in the arteries of the body, great pressure occurred and a new crisis erupted, which was of necessity called the crisis of the Moroccan left. It is necessary to call things by their own names; the crisis is not a "leftist" one, but rather the "crisis of the Moroccan opposition" which had become polarized around the progressive option. It is necessary to explain that the opposition, in recent years, has become "oppositions," and it did not remain a condition of the opposition that it be "leftist" or progressive, that it be in power or outside of it. Rather, the scope has been broader. It might not be an exaggeration to state that all of Morocco has become an opposition; if anyone has doubts about that, let him open his newspapers and the publications of his own party. He will not even need to spy or eavesdrop in order to realize what is being said in private gatherings and social conclaves. Whenever you ask the opinion of someone who is well versed and has influence, he will hasten to respond, "I am exasperated; my tongue cannot speak."

What is the story of the "left" and the progressive opposition in Morocco?

When the founder of the Istiqlal Party, the leader Allal El Fasi, succeeded in describing the real bourgeoisie operating in Morocco early in the course of its subjection to the foreign occupation as "the intellectual bourgeoisie," and interjected into this expression the true nature of Moroccan wealth, which is in no way connected to the financial bourgeoisie, but proceeded from a wealth of ideas, the colonialists became aware of the need to bring in countervailing elements who

would counter the bourgeoisie of the intellect with an intellectual labor force. As a result of this approach, the socialist and communist movement came into Morocco, through the wishes of the occupation forces, in the form of branches of the French socialist parties, the French communist movements, and the French labor organization, which vacillated between the communists and socialists.

In 1931, the French socialist party (the S.F.I.U.) opened its first window in the Moroccan edifice, in the form of a political bureau consisting of French and Spanish socialists. A young Frenchman named of Robert Jean Longy headed their movement. He was cherished for his family connections to the socialist wellspring embodied in his grandfather, Karl Marx, through his father the socialist deputy Jean Longy. The man who bore the torch of the socialist movement in Morocco was not one of the common people. A number of young people in the Moroccan national movement, such as Mohamed Belahcen Ouazzani, Ahmed Belafrej, Abdellatif Essabihi, Omar Benabdjalil, Hassan Bouayad, Mekki Nassiri and Mohamed Kholti, who had rejected the methods of the Istiqlal by which the French and Spanish colonialists in Morocco were acting, were quickly won over to his progressive ideas. The Moroccan progressives reached agreement with Karl Marx's grandson, Robert Jean Longy, to concentrate their hopes in some context. They agreed that there would be a periodical, called AL-MAGHRIB magazine, which came out in 1922. After the first issue appeared, the French socialist thinker hastened to present his plan at a meeting held on 19 May 1932 in the magazine headquarters; there he proposed, to those in attendance, that they officially join the French socialist party. Only Mohamed Belahcen Ouazzani refused; he had criticised the choice of socialism, which "does not recognize the difference between the choice of progressivism and colonialist inclinations." Mohamed Belahcen Ouazzani was influenced by another current which was more closely aligned to the real state of affairs in Morocco and the aspirations of the people, the option of Arab unity, which the leader Shakib Arsla had called for, and whose slogans had issued forth from the Jerusalem conference of 1931, the Islamic conference, in which young people from Morocco such as Mohamed Belahcen Ouazzani, and the leader of the national movement in northern Morocco, Abdesselam Bennouna, participated alongside Shaykh Amin al-Husayni. However, the group which did not differ with Robert Jean Longy, and continued to deal with the French socialist party after Mohamed Ouazzani broke away, was the first stone in the Moroccan bourgeois entity and the Moroccan right. That was a distinction which time ignored until it turned it into base on whose foundations a generation of Moroccan progressives who had entered the paradise of the rightwing option did not function until they had passed over the road of opposition, progressivism, communism and socialism.

#### Most Former Communists Have Become Former Ministers

The French communist party took root in Morocco in 1937, in the context of the French desire to fragment Moroccan public opinion and raise problems and differences. The founder of the party, a Moroccan Jew named Leon Sultan, managed to establish a branch of the French communist party officially in Morocco. The party assumed its final, active, recognized form in 1943, with the establishment of a branch of the French Federation of United General Unions, thus waving a double-edged sword in the political and labor context "in the name of communist principles to fight the feudalists, be they Moroccan or French, and unify the efforts of the French and Moroccan people in the battle against feudalism." After the death of

Leon Sultan in 1945, Ali Yata was elected the first secretary of the Moroccan Communist Party; he was given this trust only through his family connections with Algeria. However, from the day he assumed the tasks of the office of the first secretary, he chose the approach of absolutely refusing to remain under the domination of the French communist party, and he changed the name of his party, so that its official, recognized name, instead of "the Communist Party of Morocco," became "the Moroccan Communist Party." The position of the secretariat general of the General Federation of United Unions was assigned to Tayeb Bouazza, one of the tenacious communists who in 1945 headed the largest communist labor force in the country, which subsequently became known as the Moroccan Labor Union, which broke away from the Communist identity, rallied under the progressive banner and turned toward Mehdi Ben Barka during the 1959 upheaval. Tayeb Bouazza was one of the leaders of its main segment, until he cast off his blue union garb and also entered the "elegant paradise of the right," becoming Morocco's ambassador to Yugoslavia for many years, after which he was appointed ambassador to Portugal for even more years, until his progressive energies were drained in the service of the "right-wing options" and he then was thrown into the drawers of the archives of history. Thus Ali Yata remains the exception, almost the only one, that proves the rule that applies in the field of progressive practices, where progressives generally break away from their "leftist" commitment before they occupy positions which will qualify them for key positions in the "councils of the right."

Ali Yata turned around the situation which French colonial ambitions had yearned to bring about and turned the Moroccan Communist Party into a functioning active entity within French soil and on the streets of Paris, opening the doors of his party to young Moroccans who were pursuing their higher studies in France. A huge army of young Moroccans joined the Moroccan Communist Party in France, most of them fighting in the communist fashion by selling the newspaper L'HUMANITE on the streets of Paris--a tradition which continued to be in effect until just after independence.

While it was reasonable that the old fighting men of the Istiqlal Party, a large number of whom pursued their studies in France, should bear the responsibility of governing after independence, because they belonged to a party that had become rightwing by virtue of circumstances, and most of the Istiqlal students in Paris (Abderrahim Bouabid, Ahmed Alaoui, Mohamed Douiri and so forth) followed one another in positions in the Moroccan cabinet, the Moroccan communist students who were fighting in the ranks of the Moroccan communist party and brandished the slogans of revolution, progressivism, expropriation and nationalization, were more worthy of attention and followup. Among the Moroccan communist students were a large number of people who assumed the mantle of Karl Marx and were utterly devoted to the greatness of Lenin. The prominent names were those of Ababou, Mohamed Tahiri, Abdelhafez Boutaleb, Abdellatif Hriki, Dr Mohamed Aziz Hababi, Tayeb Bencheikh and others. However, they all, proceeding from the fact that of Ali Yata's rule of commitment was an exception, returned to Morocco, directly, to enter the "paradise of right wing responsibility." The first one worked as minister of tourism before devoting himself fulltime to his commercial activity; the second became minister of trade and industry twice; the third was a minister five times, before dying, may God have mercy on him, while he was minister; the fourth joined a group that pursued money and business before becoming director of the National Lottery company; the fifth was prevented by philosophy from having become the most devout assistant in a party which has no connection to progressivism or the opposition. Meanwhile, the list remains long.

Though one is confused as to whether it was a matter of the consideration of choosing leftism and communism as a bridge for reaching the "right bank," or a philosophy whose lack of feasibility on the level of execution had become apparent, comparing successive breakaways from communist leftist commitment, together with the constant recurrence of these breaks, the statement that has circulated concerning the communists--"they make direction signals toward the left but head right"--has been confirmed. However, one old Moroccan communist, the late Dr Hedi Messouak, managed to defend the way in which he broke off from the communist party and justify the notion of making a break in an interview he held with the press in 1969, stating, "The stage of national construction demands changes, the most important of which is that it be possible to arrive at agreement among the classes. It is desirable that such agreement take place among the class composed of peasants, that composed of workers, and the national bourgeoisie." However, Dr Messouak stayed away from the "paradise of government," maintaining firm links with Moroccan communist officials, even after their party was proscribed and its name was changed to that of "Party of Progress and Socialism." While he did not manage to justify his alienation from the party through the leftwing press, the latter was also afflicted by the disease which affects the people on the right, that of watching people's opinions and not publishing anything that contradicts the plan that has been drawn up. That is a blatant, destructive error and it had an extreme effect on the condition of the prime Moroccan party of the left--indeed, it had critical implications for the situation the Moroccan left, or more correctly the progressive movement, has been suffering from today.

However, it is not only on the lack of frankness and freedom of expression within leftist parties that the consequences of the difficulties progressive organizations are suffering from lie; rather, there are other factors with many forms and different nuances, some internal, in the context of the responsibility cast upon leftist officials, and some outside their will. The prime factor which is outside the will of leftist politicians is the vicissitudes of international politics and the spread of the plague of "economic interests" which the allied countries of the Eastern bloc put at the top of their concerns, causing the ideological alliances proclaimed at communist conferences to be classified as dead letters. Soviet affinity, and communist alliances, with a number of African regimes and the concentrated presence of marxist troops, officers and experts in a number of African countries which are allied with the Polisario organization and support it with Soviet arms did not prevent this great power from signing the "agreement of the century," by which the Soviet Union, for a period of 30 years, will exploit a major portion of Moroccan phosphate. The proscription of the Moroccan communist party, and even the arrest of its secretary general, Ali Yatta, never was an obstacle to the development of Moroccan-Soviet relations at the official level nor the exchange of visits by the heads of state. Meanwhile, the modern generation has been influenced, in its ideological choices, by serious events which have trod all standards and customs underfoot: West and East Germany abandoned the Pankow philosophy which called for a mutual embargo, the East German flag has started to fly in all the countries of the world alongside that of West Germany, the Sino-Soviet dispute has exceeded the conflict between East and West in its gravity, and indeed has reached the point of the exchange of ambassadors between the People's Republic of China and the United States of America, the Soviet position toward the Arabs' cause of destiny has weakened, and has become flaccid at times

of need, as was the case in the October 1973 war when the Algerian president, Boumediene, stood at the gates of the Kremlin waiting for support but got it only after paying the price in dollars, and last but not least there has been the Soviet coup in Afghanistan, a coup which severed the remaining limbs off the skeleton of leftist and communist influence over Arab and Islamic public opinion.

There are other factors which have arisen from the long pursuit of communism and leftist options in a number of socialist countries and have caused time, with its weight, to cast doubts on the credibility of this experiment, especially when related to the rising number of examples which speak of the contradiction between the ideas of Marx and Lenin. Some leaders who are venerated in appearance and are sanctified in the media have become gods lacking only a throne and scepter, clutching the reins of immortality, as if the revolutionary progressive revolutions had stopped with them. Here is the Korean president, Kim Il-sung, appointing his son crown prince, after spending many years fighting the individual rule, the bourgeoisie and the veneration that had been deep-rooted in the Korean people for thousands of years.

While the purpose in this investigation is not to diminish the importance of the leftist and communist option, which has established itself and is no longer faced with the danger of extinction as a result of an article in the press or a work of historical research, nonetheless, the rapid sequence of these developments and events in the international context has complicated the Moroccan leftists' situation and has stripped them of the necessary enthusiasm for persevering in the face of tempests. For this reason the Moroccan Communist Party has found itself compelled to accept the change imposed on its name, on the one hand, and, on the other, it has been surrounded by a wall of public opinion of the type of that that surrounds the French and Spanish communist parties, although the three, as was pointed out at the start of this article, have occupied a prime place among Moroccan political organizations since 1937.

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/Text/ It was natural that the heavily charged past of the Moroccan leftist movement would have left behind obvious signs of confusion and doubt and would have imprinted lines on the face of the modern Moroccan nationalist movement (which have been deepened by the alliance which has brought together parties, interests and organizations that have been affected by the religious spirit dominating the country, in the context of the practice of government in Morocco), had the outpourings of the rightwing invasion not embellished the nature of the ground of reality in Morocco, which refuses to be drawn into any direction which is in conflict with the option of "the nation of the center." The first person to refuse to be drawn in in this manner was Mehdi Ben Barka, who from the first years after independence vacillated between the ruling current, which had gravitated toward the right with terrific speed, and the inevitability of centrism, which was dictated by the nature of the centrist makeup of the society. Mehdi Ben Barka, who held a view of the future which was backed by a rare dynamism, held the pulse of reality through the executive committee of the Istiqlal Party which he belonged to, and the first Moroccan national consultative council, which he chaired. In both organizations there were clear points of view. In the context of the Istiqlal administration,

he balanced off the people with bourgeois aspirations, who represented the majority in the executive committee, and the people with leftist aspirations, whose meetings he himself headed in the context of the political committee. There was a broader opportunity to make acquaintances in the framework of the national council; that council represented the map of the social geography of Morocco, from the feudalists and bourgeois to the social geography of Morocco, from the feudalists and bourgeois to the people who had formerly been allied with the occupying powers, and the progressive elements which had accepted the principles of the democratic game provided that its course be corrected.

The political committee of the Istiqlal Party did in fact represent leftist, not communist, aspirations, those which rejected the type of thinking that was fermenting in the minds of the members of the executive committee. Mehdi Ben Barka did not succeed in applying the principle of coexistence between the two movements, when the party was reflected by two papers, one in Arabic, AL-'ALAM, which expressed the point of view of the executive committee, and one in French, ISTIQLAL, which represented the point of view of the political committee. When the members of the political committee discovered that Mehdi Ben Barka wrote the lead editorials in the newspaper ISTIQLAL, they hastened to issue a decree suspending him from press responsibilities. Thus it pushed him in the direction of the active political committee, which at that time contained an elite of young people, or of people with young ideas, like Mahjoub Benseddik, Driss M'hamedi, Mohamed Basri, Touhami Amar, Abdallah Brahim, Abderrahmane Youssefi and Abderrahim Bouabid.

Thus time alone, in an obvious fashion, prepared for the birth of an opposition movement, deriving inspiration for its elements of strength from its link first of all with Moroccan national reality and from its alienation, second of all, from all connection with the communist organization, which existed but lay underneath the oppressive burden of the past, which kept it from taking control of the Moroccan opposition movement.

When the establishment of the first opposition movement in independent Morocco was declared, under the title of the National Union of Popular Forces, whose designation and slogans were linked not to the left or to socialism but to populism, that declaration was the product of lengthy thinking, the summary of effective practice, and the beginning of a crucial experiment in the modern history of Morocco. Mehdi Ben Barka summarized all the background which emerged in the first chapter on this matter and was to appear later in a paragraph of his book, "The Revolutionary Option," as follows: "The severity of the social contradictions in 1955, that is, shortly before the declaration of political independence, had not yet appeared in the form of a class struggle, but they did not cease subsequently to take concrete form, leading to a transformation in the national movement which ended in 1959 with the emergency of the National Union of Popular Forces, which separated the reactionary leadership of the Istiqlal Party from the popular base of liberation. The philosophy of the National Union of Popular Powers absolutely did not contradict the actual state of affairs in Morocco--rather, it underlined the principle of the 'nation of the center,' not the right or the left, on the argument that the Moroccan monarch, the late King Mohamed the Fifth, the great liberator in whose personality and conduct the philosophy of the 'nation of the center' was embodied, renewed his trust in Abdallah Brahim, who was prime minister

and member of the National Union of Popular Forces, and went hand in hand with Abderrahim Bouabid, who was minister of economy, to bring about the reforms which would conform with the national union's plan as a new political force, until the first signs of a change in direction appeared in the union."

However, the exercise of power by the first Moroccan leftist organization, during Abdallah Brahim's tenure was a test of this organization. While there is no contact which gives birth to fission, and in conformity with the nature of being from which the philosopher Einstein derived inspiration for the philosophy of the fission of energy, the winds of government soon distributed the atoms of the union into the space of disputes. This was started by the initiative which Abdallah Brahim, the premier and one of the founding members of the National Union, took to commit himself to the principles of government practice, taking the measure of proscribing and locking up the newspaper AL-TAHRIR, its director Mohamed Basri, and its editor Abderrahmane Youssef, after the paper AL-'ALAM, during his term, had agreed, voluntarily, to suspend publication "in protest against the lack of freedom of expression."

Thus, with the genesis of the first progressive movement--a leftwing movement, relative to the rightwing tendencies that existed in Morocco--grave elements of dissension were born along with it, and from its own rib. It did not take many long years of practice, as with the Moroccan Communist Party, for this organization, the National Union of Popular Forces, to become acquainted with the "sequence of rifts" in its own ranks. Although the factors of weakness which prevented the National Union from taking off in a sound manner were many and numerous, the most important and basic of these factors were three:

First, the inclusion of most resistance members who had borne arms against the occupation forces, then had continued with internal skirmishes, sometimes among themselves and sometimes against the foreign forces present in southern Morocco and the Sahara regions, and their overt partiality toward the National Union of Popular Forces. However, in spite of the immense size of the resistance's apparatus and its weight on the political stage, it also bore large responsibilities in some assassination cases right after independence which did not have just contentious elements of the Istiqlal Party, such as the consultationists who were partisans of the National Party of Mohamed Belaïd Benazzani, as their target, but indeed extended to some progressives, such as the resistance figure Abbas Messaïdi, whose assassination was a cause for the launching of the Popular Movement as a new force which made resistance to the National Union of Popular Forces one of its goals. One of the leading figures of the old Communist Party, Ahmad Sati Najjar, was also assassinated, and his death constituted a conspicuous line of demarcation between the old communists and the new progressives. In addition, Eng Abdelkrim Benabdallah, one of the main figures of the Black Crescent organization, which was extremist, rejectionist and in opposition from the first hours of independence, was assassinated. As soon as the National Union of Popular Forces was proclaimed, the Istiqlal Party hastened to "wipe" the responsibility for the assassinations with the "cloth" of the union. In addition, the personnel who had held onto their arms and got into battles with the Spanish army in Sakiet El Hamra and Rio de Oro, and in sections of the town of Ifni, did not hide their opposition to the regime as a whole, driven on by the rapture of victory and their access to weapons.

Leaders and names appeared such as Ben Hamou and Bensaid, who were leading figures in the millstone of the National Union and were in contact with Faqih Basri, member of the steering committee of the National Union. They represented a side with more extensive ramifications than those the philosophy of the union committed itself to. This frightening legacy was one of the factors which caused the regime to distance itself further and become more fearful of the National Union, and indeed to enter with it into a vortex of skirmishes and maneuvers which rapidly turned into "organized conspiracies against the regime," in the lexicon of the authorities."

Second, the entry of young intellectuals and university people of rare enthusiasm into the National Union of Popular Powers' movement and their orientation toward the progressive opposition tendency of this union. However, the lack of experience which these persons, or most of them, had made them incapable of bearing the consequences of opposition and rejection--or, more explicitly, the scourge of police agencies and administrative combat. In addition, the regime's agencies set about calmly and in a balanced manner to attract moderate elements among the young people in the National Union. Most of them could not resist material enticements and government benefits. Then a third group, following their impulsive enthusiastic rush into the union, very gradually returned to the ranks of the parent party, the Istiqlal.

It would be beneficial for the Arab reader and for interested Moroccans--especially now that some time has elapsed and some details have been eradicated from the memories of interested persons--if we reviewed the list of the National Union's office in Paris, where influential and dominant persons after Mehdi Ben Barka met, and took, as an example, the first list of people who signed the document of secession from the Istiqlal Party and the declaration of the birth of the National Union of Popular Forces on 25 January 1959, before the charter conference which was held on 6 December 1959 /sic/. This is a list of the utmost importance, because, with the passage of many years in the history of the Moroccan progressive movement, it has become a true mirror of the state of sudden reversals under the pressure of events.

#### The List

After Mehdi Ben Barka wrote out the draft political criticism of the Istiqlal Party plan, he called party personnel and young people together on 27 January 1959 and presented them with a new alternative siding with the progressives and the opposition and standing against what he called reaction and the monopolies. Here are the names of the people who were in agreement with him and signed the document, thus declaring that they embraced the leftist rejectionist approach. They were the elite that was present and had become politically involved in France:

Mehdi Alaoui, a law student (he remained a member of the union); Omar Benjelloun, a student in the Postal Academy (he was assassinated when he was director of the newspaper AL-MUHARRIR); Belkadi Abdellatif, a student of law (he remained a member of the union); Azmouri, a history student (he was present at the kidnapping of Mehdi Ben Baraka in Paris in 1965 and was later found dead--a suicide, it was said); Abdallah Laraoui, a professor of history, who remained neutral; Bouchaib Azmy, a student of public works (he remained a member of the union);

Abderrahim Shari, a student of electricity; Abdellatif Khoumry, a sociologist (he joined the diplomatic corps); Mohamed Ziani, an artist; Bouzouba, a lawyer; Murtapha Fazes, a student in roads and bridges (he became a minister a number of times, then director of the Arab Bank in Paris); Said Ben Ali, a student in roads and bridges (he became a director of the Royal Airlines); Ahmed Benani, an economist (he became a director of the Bank of Morocco); Jalil Hajouji, a student of electricity; Mohamed Khalas, a student in roads and bridges; Tahar Santissi, a student of pharmacy; Driss Benjelloun, a student of Medicine; Abdelkrim Boury, a law student (he returned to the Istiqlal Party); Mohamed Tahari, a student of pharmacy; Awwad, a student of diplomacy; Safar, a student of medicine; Mohamed Zaouaoui, a student of agriculture; Abdellatif Benamor, a student of redevelopment; Ahmed Charkaoui; Said Belbachir, a law student (he has become minister of cultural affairs in the Istiqlal Party cabinet today); Abderrahman Kadiri, a student of law; Abdelouahad Radi, professor of psychology (a basic official with Abderrahim Bouabid); Abdelaziz Kandil, a professor of Arabic; Driss Kettani, a postal service student; Abdelkrim Barid, a student of agriculture; Driss Kandil, a student of agriculture; M'hamed Bouabid, a student of law; Fouad Benjelloun, a student of Medicine; Mohamed Jouahri, a student of medicine; Ali Benjelloun, a student of law (he became a minister a number of times and an ambassador a number of times); Abdelghani Laraki, a student of medicine; Dr Yacoubi; Yahia Chafchaouani (he became a minister); Mohamed Chami, a student of law; Abdellatif Ghissassi, a student of law (he became a minister a number of times and a member of the National Liberal Grouping); Bou Bakr Charkaoui, a student of law (he became an ambassador); Rachid Benabdallah, in the Tax School; Abbas Barada, a student of law (he returned to the Istiqlal Party); Ali Mounir; Mohamed Kawni, a student of meteorology; Mohamed Benabdallah, a student of the postal service (he became a main figure in the Ministry of Posts); Allal Kanouni, a graduate of science; Taouimi Benjelloun, a professor of Arabic; Jallal, in the Institute of Games Statistics, a professor of Arabic; Abdellatif Bennis, an agricultural engineer; Cohen Sakli, a doctor; Abderrahmane Mohammedi, a student of diplomacy; Inkay, a graduate in law; Mohamed Nasry, a graduate in history; Habib Tber; Mustapha Alaoui, agriculture; Mohamed Moutassim, a professor (he joined the popular movement, then was an employee in Tangiers, then broke away from the popular movement); Abderrahim Benabdjalil, a student of law; Abdesselam Zninade, a student who had graduated in Arabic (he became a minister and right hand man to Ahmed Osmane in the party); Abdelhaq Ilmi, a student of law; Kamlich, a student of medicine; Mohamed Berrada, a student of law (he returned to the Istiqlal Party); Driss Benjelloun; Abdelouahad Benjelloun, a student of law; Mounir Bouzid, a student of mathematics; Sijilmassi, a student of law (he became secretary general of the Ministry of Foreign Affairs, then ambassador to Moscow, Jordan and Sweden); Mohamed Fadili, of the employment institute; Abdellatif Berrada student of medicine; Hakimi, an engineer (and current chairman of the Arab Engineers' Organization); Mohamed Bennani, a student of medicine; Mohamed Sabti, a student of law; Abdallah Bouri, a student of pharmacy; Lazrak, a graduate of law; Jouahri Mohamed a student of law (he abstained from voting and signing the founding document of the National Union of Popular Forces); Mohamed Benchekroun, from the Institute of Public Works; and Hamid Khalas of the Higher School of Commerce.

The importance of this list lies in the fact that it constitutes the first stone in the edifice of the Moroccan leftist alternative by virtue of the document to which these people appended their signature, and the call for the founding council

of the National Union of Popular Forces, which senior figures from other parties such as Abdelhadi Boutaleb, Touhami Ouazzani, Ahmed Bensouda and Abdallah Sanhadji joined. Meanwhile, no figure from the Communist Party, which insisted on embracing the idea of progressivism and opposition, agreed to join it, even though it felt that a proscription decree was soon to be issued against it.

The structure of the National Union was diverse in its tendencies and had various human origins and mutually alien social origins, which made it easy for the regime in the sixties to penetrate its ranks and choose people from its members who were the most fit for government practice and closest to the alternatives of the right. Indeed, prominent personnel in the union played a critical role in establishing this union and rendering its contradictions concrete, while the cabinets that followed one another in office after the sixties were proud of the presence of unionist elements in their organizations, a presence which some people imagined, arose from a close affiliation with the union or a governmental move toward the left. However, these notions were thwarted after many long years, and the old union members in Moroccan administrative and political power proceeded in a direction which on many occasions contradicted the people's choice--indeed some often worked to develop the private sectors and strengthen the roots of capitalism, which were the object of their former colleagues' criticism in the 1959 document. In fact, some of them took part in parties which were inclined toward the government, while others became the owners of massive fortunes and giant interests.

Third, the third element which finished off the National Union of Popular Forces and drove it to fragmentation and schism was the fact that the rug of influence which was embroidered by the means for action was pulled out from under the National Union of Popular Forces, and the regime swung away from the center under the pressure of internal and foreign intimidation regarding the course which events had witnessed. Although the leader Allal al Fassi would almost have remained isolated had it not been for his reaction, which measured up to his personality, and his hasty response to the rumors regarding the leftovers of the tattered party that remained before him, there are indeed people who believe that if Allal al Fassi had not been present the party would have come to an end with the end of 1959, and had it not been for the insistence of the leader al Fassi, and his movement, which rejected the situation, his party would have met the same fate the Consultation and Istiqlal Party did, and the same fate would have befallen the Istiqlal Party itself. In fact, the intensity of the renewed influence of the National Union would have swept away other organizations. Therefore, in that period Morocco experienced the declaration of something close to a state of emergency with the entry of the government into the crisis, the assumption by the crown prince, Prince Moulay Hassan, of the premiership, and the arrest of such intransigent leaders of the union as Mohamed Basri, Abderrahmane Youssoufi and Mohamed Bensaid. In fact, the situation went beyond that. After work in the Consultative Council which was chaired by Mehdi Ben Barka was suspended on 15 December 1959, the Moroccan Communist Party was dissolved in October of the same year, the establishment of the Union of the General Federation of Workers was postponed on 20 March 1960, in order to create a balance with the Union of the Moroccan Federation of Labor, which was large and unique, and the newspaper AL-MUHARRIR, which was the spokesman of the National Union of Popular Forces, was shut down. This sequence of events culminated in the total banishment of this organization, with the

dismissal of the cabinet which was headed by Abdallah Brahim, a member of the political bureau of the National Union and the coup de grace was delivered to the activity of the National Union on 20 May 1960. That is the date of a serious transformation in the life of the first progressive opposition organization, which, by virtue of events, had become a revolutionary leftist one.

[No 292, 27 Jun 83 pp 22-25]

/Text/ The experience of the Moroccan left is considered a unique one in the history of Arab political organizations. The leftist classification started to be attached to the National Union of Popular Forces by virtue of its emergence from a centrist orientation, its alliance with the largest labor force in the country, the Moroccan Labor Union, and its entry into a stage which was more revolutionary than oriented toward opposition, through its attraction of the rejectionist trend during a stage of great delicacy in the history of Morocco, a stage when the people who were in charge of the union did not know the true nature of the intentions and orientations which dominated the government, when the main figures of the regime, headed by Oufkir, helped to create an isolation behind which lay ambitions and goals whose particular details all became apparent later, in 1972.

The experience of the Moroccan left is unique in annals of Arab politics in that the forces of the left, which were given coherence by the organization of the National Union of Popular Forces, were not exposed to blows, denudation and usurpation by the forces in power or the regime which was angry at them, and did not experience the road to annihilation through defeat at the hands of other political forces which were hostile to them. They did not enter into open struggles on the sidewalks of democracy which, in the sixties, were unpaved. Rather, in the face of these risks, it was almost as if they did not exist because they were being fought, being deprived of the right of self-expression and finally were chased off the national stage on the charges of "departing from national consensus" and of "conspiring, colluding and bearing arms." The regime's views on political choices were too smart for this contemptible situation; it possessed a high level of intelligence and did not deal with the opposition as certain regimes do, by eliminating it or destroying its organizations by tanks and cannons. Rather, the protection which the French press, in particular, afforded it, and the fact that Morocco was under the pressure of the French media umbrella--radio, television and newspapers--imposed tempering conditions on the nature of the open war between the Moroccan regime and the National Union, in the context of conflicts which were open but between unequal parties.

The mistake of the opposition parties which entered barefoot onto their long march through the "desert of vexations," starting at the end of 1960, lay in the fact that they did not take the factor of time and the vicissitudes of life into account.

All during the "march through the desert," in the course of 20 lean years, there were signposts before each of which the caravan of the Moroccan opposition stopped to reflect rapidly dwindling to baggage for travelers. Indeed there were signposts where comrades, those who were of the right and those who were of the left--the right in every sense of the word, and the left, also, with all the meanings it comprised--parted ways.

People who are interested in this subject will not be able to grasp the importance of these crucial signposts on the road of the march of the lean years in the history of the movement of the Moroccan left if we do not all make a brief stop before each one of them.

The first signpost: this was set up on desert land where there was no water or vegetation in the material or moral sense, when armed disputes broke out between Morocco and the regime of the Algerian president Ben Bella over a few border positions in the Eastern Sahara between Morocco and Algeria. The battles of Hassi Beida occurred in October 1963, when Mehdi Ben Barka took a position contrary to the Moroccan nationalist position regarding oil which the Moroccans considered to be their own territory. For his part, that was an egregious error which shook the credibility of the alternative he was espousing. However, the principles of the game, which I mentioned was taking place under the aegis of the French media, required that the members of the Union enter an open testing ground which was apparently a paradise but inside, in reality, torture. The congenial interior was for a group of Union members who held comfortable positions under the cupola of the first Moroccan parliament, while hell was the fate of another group whose trials went on in another chamber of the capital, not far from the halls of parliament. After severe sentences were issued, which amounted to the death penalty in the case of a number of National Union leaders and managers, the Union members of parliament held prose and poetry contests in the context of "democracy and the exercise of freedom." In the first parliament shone names of Union members whose presentations were so sharp and frank that the taste of victory filled the mouths of progressives and revolutionaries. Unionist deputies like the lawyer Tber, the lawyer Abdelhamid Kasmi, and the journalist Abdelkader Zahraoui reviled the deputies of the majority, which at that time was known as the Front for the Defense of Democratic Institutions, with floods of criticism wrapped up in packages of sarcasm and ridicule to which the leading figures of the majority could only show their foreheads, because of the torrent of sweat. However, the foreheads of these Union orators poured sweat in turn, but with embarrassment, when most of them became ministers, ambassadors and rich persons after the state of emergency was declared and shrewd persons reached out to attract the people who were proficient in carefully measured speech. The Union, in truth and reality, continued in carefully measured speech. The Union, in truth and reality, continued to consist only of people who were in prison, while their comrades were preparing to break away through their sonorous speeches in parliament.

The second signpost: This had a critical effect on the general plan of the Union and of all the Arab progressives and revolutionaries who were waiting for the day in which their titles would head the list of the victory of progressivism, eliminating the "bands of reaction, opportunism and subservience to foreign powers," and other designations and expressions which hid defeat which the Arab revolutionary alternative had experienced on 5 June 1967 from eyes that were drawn toward the tree of Arab revolution. The Union members had involved themselves in gambles and alliances along the road to Arab revolution which the late Jamal 'Abdal-Nasir had promised, and every Arab revolutionary and progressive had run after its caravan. When the great edifice collapsed, the forces of reaction, the right, and opportunism hurried to build up their own glories, and not just in Morocco--indeed, the defeat of the Arabs in the 1967 war was a victory for all forces that had not dared to declare their alliance with imperialism and neocolonialism.

The third signpost: This was in July 1970, when the country emerged from a state of emergency and a new parliament was formed in which experts forged a "one-way majority" where there was no opposition whatsoever. In this parliament, in which even the Istiqlal Party itself, or more explicitly the National Union of Popular Forces, refused to take part, people with personal ambitions, including those who preferred the soft circumstances of power to the hell of opposition, whether they were members of the Union or the Istiqlal, broke off from their organizations and entered under the aegis of a "tailormade parliament." At that time it became apparent to Union members, and to people who still adhered to the principles of a leftist alternative, that there were powers that were able to dispense with all the living forces in the country, whether rightwing ones like the Istiqlal Party or leftwing ones like the National Union of Popular Forces and that there were people who were able to proceed blindly behind any current, even if it had no color or flavor, especially since a number of Union members who had been given free rein and the freedom to speak in the 1964 parliament participated in the parliamentary experiment of 1970.

The fourth signpost: This arose in the midst of the terrible events Morocco went through in the summer of 1971. The 70 deputies in parliament were proceeding on their way blindly, as I pointed out, until the events occurred which put them on the sidelines and caused the vigorous, responsible powers in the country to pause before the unadorned truth, which was that the real alternative to democracy, for all its faults and defects, lay not in the hands of the right or the left, and that the people who were involved with this alternative had no intention of establishing legitimacy or of pinning medals on the chests of rejectionist politicians. A large number of Union members chose the road of exile, in France or Algeria, devoting themselves to building bridges to the forces hostile to Morocco. However, they were compelled to stop twice, once in 1971 and once in 1972, for the same reasons and the same purpose, and the truth of the deep-rooted Moroccan maxim became apparent to them: "serve any wretch--for that reason, he is sleepy." All the ideas they cared about and the ambitions they cultivated along the road of combat were only a preparatory instalment for a broader, greater plan than they had imagined, when, in the winter of 1973, trained armed personnel came, infiltrating from the Libyan jamahiriyyah via Algeria, to turn the mountainous area of Moulay Bouazza into a springboard for the "promised revolution," and another contingent of perseverent, imprisoned leftwing detachments stopped to review the course of affairs. Meanwhile, yet another group decided to put a stop to the venture, indeed to return to more serious, realistic premises.

The perseverant opposition groups that were in exile insisted on continuing the rough long march at any cost, and rebuked the group led by Abderrahim Bouabid, which was called the Rabat Group, for its great speed in deciding to stop the march. A rift occurred whose explosions did not go beyond the walls of some rooms in some French hotels in Paris.

The National Union of Popular Forces learned, through desperate attempts to bring the political situation in Morocco back to the era before Mehdi Ben Barka and to reorganize the national structure by gathering all the old Istiqlal personnel together into a plan called the National Bloc, that going far back into the past, whatever the domestic circumstances that dictated a meeting of minds might be,

would not enable it to deprive the members of the Union of the flavor of the left, that the Istiqlal right would never move an inch from its positions, and that political structures in Morocco had grown and flourished and that time had embellished them with its natural color, just as these days and experiences had imposed a halo of seriousness and realism on all the persons who were responsible for the present and future of Morocco which required that one acknowledge reality. Here is the right, here is the left and here is the center--but the left, what is the left? There was no chance at all of permitting the Communist Party, which had now come to be called the Party of Progress and Socialism, to reap the fruit of long years of struggle; in addition, all the members of the opposition would fail to agree to proceed on an extremist road which was closer to communism than to the socialism which was acceptable in the present and necessary for the future.

The National Union of Popular Forces became almost a name without meaning, especially when need dictated that the course of the left be corrected, by agreement of all the parties who wanted change and wanted to call things by their real name. On 16 September 1974, Abderrahim Bouabid, Mohamed Yazghi, Omar Benjelloun, Mehdi Alaoui, Abdellatif Benjelloun, Mohamed Gababi, Habib Farqani and Abdelouahad Radi proclaimed the establishment of the Socialist Union of Popular Forces, and Moroccan popular opinion breathed a deep sigh. The establishment of a moderate leftist framework which a solution relative to the crisis of the left could be embodied was declared. At that time, 15 years had elapsed since the start of the endless rough march, during the signposts, the signposts of long thinking, had been set up. Even the legislative power insisted that the forces of legitimacy stand alongside the movement of Abdallah Brahim, who had kept the name of the National Federation of Popular Forces for his movement, and that Abderrahim Bouabid's movement not be allowed to enjoy the right to use this name, in order to ease the way for the solution that had prepared the establishment of the first Moroccan socialist party. Once again the fighting members of the Union stood at the crossroads, after having differed all along the long road whose desert had been crossed by dozens and dozens of their comrades who had surrendered to a number of mitigating circumstances, the most important of which were money, status and influence.

#### The Crisis of the Socialist Union

From crisis to crisis, the Socialist Union was surprised at the urgent needs of tremendous hosts of young people who had no desire to get into deep-rooted struggles within a situation they did not know, and that did not know them. The young people of 1975 did not know anything about the crisis of 1955. Rather, they longed to seek protection from the calamities of time and political vacuum, under any umbrella embroidered with the principles of the modern era, such as the umbrella of socialism and participation in orienting the new Morocco in a positive direction which would handle problems with the realistic solutions they demanded. Here there were legions of vanguards of rejection and progressivism who had spent many years in places of exile or prison and who had lost the energy which had been terrifying in 1957 but which in 1980 had almost come to have no effect, indeed was close to nonexistent in its proximity to reality.

Circumstances, on the morrow of the establishment of the Socialist Union, quickly gave the leaders of this new-old organization an opportunity to correct Mehdi Ben Barka's error of 1953. The Socialist Union proceeded to support the national consensus to regain the territories occupied by Spain in Saguia El Hamra and Rio del Oro, and once again the partisans of the Union and the people who embraced its ideas stood at the crossroads. There was one group which saw, in the new orientation toward the attainment of national territorial unity, the attainment of great hopes, their appeal for which had been a cause of their pains and their exile, such as Mohamed Bensaid, Abdesselam Jabali, and other politicians who were in exile and hastened to come to their country after a general royal amnesty had paved the way for their return. There was a small number of people who did not want to deny Algeria's graciousness toward them, such as Mohamed Fqih Basri, and others who pledged allegiance to the extremist trend, which was farther out than communism or the left. They, in the strangeness of the situation, were young people who had been educated abroad and had no real connections with Morocco, such as the Forward Group and the 23 March Group, with which a large number of people returning to Morocco had large connections; they continued on the road of rejection. That explains the obvious vacillations over the conduct of the 23 March group, a significant number of whom returned to Morroco to pursue political activity, though they were not won over to the approach Abderrahim Bouabid had chosen. While Mohamed Bensaid preferred to stay and operate by every means to express his ideas through a moderate podium, the magazine ANWAL by name, Abdesselam Jabali did not find the circumstances actually propitious for action in the context of government interlocutors, and those who had been minor officials, or less, when the leadership of the National Union, in the sixties, dealt with the major figures in the government and with officials who had become refined by extreme hardship and experience--while here these small old figures had today become major persons in the same old places. That prompted Abdesselam Jabali and a number of his comrades to go back into exile, albeit by choice.

However, these movements all took place far away from the Socialist Union, proceeding from the fact that that was considered, in turn, to the right of the ambitions of the young and the aspirations of the left. The Socialist Union in 1978 did not need long years to repress the progressive impulse for which the third conference of the socialist conference, 8, 9 and 10 December 1978, had been an inflamed podium. That conference, in its demands and resolutions, was a test of the philosophy of moderation which Abderrahim Bouabid had embraced, and the general political declaration was a severe verdict on the "failure of the experiment" and an open inventory of the negative aspects of the "social peace" which the fortunate classes had exploited--"those who had felt danger threatening their interests, since they had left the masses of the people to express their choice and had made a holy alliance bringing together groups of feudalists, fragments of the traditional bourgeoisie, the buaeauratic bourgeoisie, and various opportunistic elements." The conference produced an inevitable deduction, releasing the slogan "the construction of a national democratic country." Abderrahim Bouabid became swept up in this current and proceeded to voice criticisms of foreign policy which led to his arrest and the passage of numerous months behind bars, during which he re-evalued this "revolutionary leftist" situation, whose enthusiasts did not go beyond emitting slogans and writing petitions, while not a single young person went down to the streets to demand that Abderrahim Bouabid be released. Under the "veil of international

silence that had been applied," and the reluctance of international progressive organizations and allied leftwing parties to make any protest against the arrest of the Moroccan opposition leader, Abderrahim Bouabid was persecuted by psychological campaigns embarked on by some circles which wanted him to remain in prison, which had bruted about the statement that he was not in prison but that he was a guest in a mountain home that was furnished with comfortable rugs. The situation, in the "parliamentary" sense, remained as it had been; his deputies in parliament were subjected to some false pressures, and returned to attend the sessions of parliament after having boycotted it. The tragedy facing the leaders of the Socialist Union continued to the point where it made them receptive to respond to any signal, and, indeed, a rapid pardon was issued for the leadership of the Socialist Union, and Abderrahim Bouabid came out, permitted to engage in politics in accordance with the proper viewpoint, and let the leftist extremists go to hell. Proceeding from Abderrahim Bouabid's consideration that a return to conferences and discussions would only make matters worse, he hastened to adopt decisions stamped with a certain dictatorial style by virtue of which he expelled a number of party members whom he had labelled radicals and nihilists. The expressions of the legislative authorities, who in their turn had become bored by rotating in this vicious circle, relaxed, and then were judicially suspended alongside the Bouabidist legitimacy in the trial of the "radicals" in Bani Hilal on 25 October 1982 and in Rabat on 15 May 1983. The Rabat trial was a crucial event in the history of the Moroccan left. The newspaper AL-'ALAM, rejoicing, in the name of the Istiqlal Party, over the sufferings of a clan, hastened to kindle its flames and, with much lust for vengeance, insisted on informing public opinion that "the leaders of the clubs of the left have been smitten with colorblindness and have not seen that they were the ones who had signalled to the various bodies to call in the authorities and the police to incite them against the arrested persons Ben Amar and his comrades." Meanwhile, the Istiqlal newspaper published details on the trial and paragraphs by radicals and extremists condemning the leadership of Abderrahim Bouabid, characterising it by the most vile descriptions: "Ahmed Benjelloun the lawyer (brother of Omar Benjelloun) said 'the party base condemns the immoral, irresponsible conduct of the political committee members, and, for the first time in our history, we can see so-called political leaders engaging in slander before the police, to prosecute members of their own party.' The lawyer Chtouki described the union leadership as 'traitors.'"

In brief, circumstances have brought the Socialist Union, in 1983, back to the stage where the Istiqlal Party was in 1959. However, the change that merits attention is the support which the leftist extremists who started to consider the Socialist Union to be "agents of foreign powers and traitors" received from the "genuine tendency" within the Union, when Abdallah Brahim declared his support for the extremists, and the new leftist party, the Democratic Action Party, under the leadership of Mohamed Bensaid, did not hide its affinity with the new opponents of Abderrahim Bouabid's policies. Of course, the radicals who had received sentences of 1 to 3 years in prison did not ignore the Istiqlal Party's generosity toward them. Perhaps this rightwing party itself, in the course of long years of government, has brought revolutionary opposition leftist persons to prominence who perhaps did not take long to declare their existence; an organization which does not experience rifts and renovation is by nature a dead one. One of the old men of the march of leftist rejection, Abdesselam Jabali, in his voluntary exile

in Paris, excelled and was proficient in expressing himself when he drew with his pen the true framework of the forces that had experienced a rift and sooner or later would come together, stating, in a letter he sent to the Organization of Popular Democratic Action Party, "Increasing groups are becoming saturated with the critical view of the experiment of the Moroccan progressive movement. The road has been paved for the crystallization of a progressive alternative which is focussed on the principles and values of democracy and is able to transcend the general crisis in which the country, its government, people and opposition is stumbling."

The crisis of the opposition, then, has not remained hidden or concealed; nor has it remained a crisis behind bars or in the depths of prisons and dungeons. Rather, it has become a crisis in the open, in which ideas and alternatives engage in bloody combat, especially now that the Moroccan regime has discovered that dungeons and prisons became only abysses for the incubation of extremism and the generation of revolutionary ideas to the point where the extremists and radicals started to consider going to prison an advantage which every progressive yearned to obtain. Didn't Abderrahmane Ben Amar state before the court last 27 May that he was still "a pupil of fighting men who had spent many long years in prison, since his prison credit did not go beyond a single month?" Thus, the left and the rejectionists did not in their conflict confine themselves to confrontations with the regime or the right-wing bourgeoisie; rather, they became obligated, like any other left, to confront the forces arising from their own belly. Likewise, the regime did not remain convinced that prison would guarantee that matters would return to their proper place and that stability would be ensured. This therefore is the year of the entity. The entity is not rightwing only or leftwing only. As Lenin said, "One step forward, two steps back: we see that in the life of individuals and through the histories of peoples." What we ourselves call hesitation, Lenin calls progressivism, but how high is the price for the difference between the forward steps of the Moroccan left, and its steps backward!

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CSO: 4504/472

MOROCCO

BRIEFS

LOANS APPROVED--Morocco has asked several international financial agencies to help it through its economic crisis caused by a slump in the world phosphate market. In July an IMF team arrived in Rabat to negotiate a new standby credit as well as a compensatory financing facility to cover the shortfall in export earnings. Washington sources say the fund is likely to agree to the package--Morocco's previous one-year standby facility, which expired in March, presented no repayment problems--and the IMF is not expected to impose its usual stringent conditions. At the end of July IFC stepped in with an SF80 million (\$40 million) loan to Banque Nationale pour le Developpement Economique (BNDE), the country's main source of private industry finance. The loan is part of a larger package worth \$188 million, IFC is to fund half the loan from its own resources, and the remainder has been raised from a syndication comprising Handelsbank (lead manager), Chemical Bank, Manufacturers Hanover Trust Company, Standard Chartered Bank, Gulf International Bank, Al Saudi Banque, Credit Agricole and Banca del Gottardo. A further \$115 million equivalent will come from local bond issues, and BNDE will draw some \$33 million equivalent on available lines of credit from The World Bank, African Development Bank, the OPEC Fund and Kuwait Fund for Arab Economic Development. The World Bank is advising Morocco on a major restructuring of the budget involving substantial across-the-board cutbacks in public expenditure. The World Bank and IFC sources told ABF that several major projects have been shelved and priority has been allocated to completing existing schemes.  
[Text] [London ARAB BANKING AND FINANCE in English No 6, Aug 83 pp 9-10]

CSO: 4500/253

JAPANESE FOREIGN MINISTER ON RELATIONS WITH IRAQ

JN170831 Baghdad INA in Arabic 0630 GMT 17 Aug 83

[Text] Baghdad, 17 August (INA)--Japanese Foreign Minister Shintaro Abe has expressed his country's desire to see the Iranian-Iraqi conflict settled as soon as possible to prevent its consequences from affecting the entire region. He pointed out that leaving matters as they are would place the region in great danger and jeopardize its future security.

Abe said that during his meeting with President Saddam Hsuayn last Thursday, the president briefed him on the history of the relations between Iran and Iraq and said that Iraq wants to live in peace with Iran and everybody else in an honorable and just manner which would not upset any side.

In an exclusive statement to ALIF BA' magazine published here today, Abe added that he informed President Saddam Husayn of Japan's desire to further promote and expand the Iraqi-Japanese cooperation in the economic and political fields. He said that President Saddam Husyan has showed desire to promote the cooperation and friendship relations between Iraq and Japan.

On the results of his meetings with the Iraqi officials, Abe said that he discussed in detail international issues of common concern, particularly the Iraqi-Iranian war. He said that these meetings dealt with various matters and described them as very useful, especially those meetings with Tariq 'Aziz, deputy prime minister and foreign minister.

On the agreement which was reached between the two countries, Abe said: We have agreed to give a loan to Iraq to carry out the development projects and to hold a meeting of the joint Japanese-Iraqi committee in Tokyo next autumn.

Concluding, the Japanese foreign minister said that his visit to Iraq was very fruitful and useful.

CSO: 4400/472

BRIEFS

MILITARY RESERVISTS DISCHARGE--Baghdad, 15 Aug (INA)--It was announced here tonight that the military reservists who were born in 1949 have been demobilized. The brigadier general, assistant director of the mobilization and statistics department, told the Baghdad television tonight that the June 1983 decision on the demobilization was made after careful calculations and for constructive purposes. The demobilization of these soldiers proves the Iraqi forces' ability to defend the Iraqi territory, he said, adding that the demobilized men will return to jobs they held before being recruited. [Text] [JN151708 Baghdad INA in Arabic 1630 GMT 15 Aug 83]

FINANCE MINISTER SWORN IN--Baghdad, 18 August (INA)--Finance Minister Hisham Hasan Tawfiq took the constitutional oath today before President Saddam Husayn on the occasion of assuming his new post. [Excerpt] [JN181003 Baghdad INA in Arabic 0935 GMT 18 Aug 83]

CSO: 4400/472

LEBANON

NEW DECREES ON ENDING JOB SECURITY

New Job Termination Powers

Beirut AL-NAHAR in Arabic 16 Jun 83 p 3

[Article]

[Text] Council of Ministers takes away immunity of civil servants and judges and gives government the right to remove them from their jobs in a period of 3 months.

The measures that are being taken are not subject to any form of review.

In its meeting yesterday the Council of Ministers approved two decrees removing the immunity that civil servants and judges have against losing their jobs and giving them an opportunity to resign from their positions in a period of 2 months. The decrees gave the government the right to terminate the services of any judges and civil servants within an interim period of 3 months. A judge or civil servant who resigns would receive additional compensation amounting to 1 month's salary for every 4 years of actual service (see page 2).

Terminating the Service of Civil Servants

Here is the text of the decree that comprises temporary emergency provisions for the termination of civil servants' services:

Article One: In enforcing the provisions of this decree, the term civil servant shall signify a permanent or a temporary civil servant or a civil servant who is working on a contractual or on a daily basis.

Article Two: Any civil servant employed in state agencies may request that his services be terminated within a period of 2 months from the date this decree goes into effect.

An application for the termination of services is to be submitted to the competent minister who is to turn it over to the Civil Service Board within a period of 5 days.

The Civil Service Board is to express its opinion of the application, and it is to return it to the competent minister within a period of 10 days from the date of receipt.

The competent minister is to present said application to the Council of Ministers which may or may not accept it.

If 2 months elapse from the date the civil servant's application was recorded and no decision on the application has been made, the application for the termination of services is to be considered accepted as of the expiration date of the forementioned period. The civil servant's service shall be considered terminated, and there shall be no need for issuing any further evidence of that fact. The termination of service is to be announced by decree of the chairman of the Civil Service Board.

**Article Three:** A retirement pension or severance pay for a civil servant whose service is being terminated is to be settled in accordance with the provisions of Article Two of this decree. Said settlement is to be based on the last salary received by the civil servant on the date his service was terminated.

A civil servant who elects to receive severance pay is to receive an additional allowance of 1 month's salary for every 4 years of actual service and half a month's salary for a period of service that is less than 4 years. A civil servant who elects to receive a retirement pension is to have 1 year of service added to every 4 years of actual service and half a year added to a period of service that is less than 4 years. This is to be done for the purpose of calculating the pension. In case the maximum for retirement stipulated in the retirement system is reached, a civil servant is to receive severance pay for the additional years of service in accordance with the provisions of the previous section.

**Article Four:** Articles Two and Three of this decree shall not apply to civil servants who are to reach the legal age of retirement in 1983; nor shall these two articles apply to civil servants whose status is not legal.

**Article Five:** The government may, on the basis of a decree passed by the Council of Ministers and proposed by the competent minister, terminate the services of any civil servant or retire that civil servant from duty. The government may do so within a period of 3 months which is to begin at the end of a 2 months' period after this decree goes into effect. A civil servant who is terminated or retired from service is to have his rights to a retirement pension or to severance pay settled in accordance with the law that is in effect.

**Article Six:** Within an interim period that expires on 31 December 1983 and on the basis of a decree passed by the Council of Ministers and proposed by the competent minister, the government may terminate the services of any civil servant who holds a Grade One position and who works at the discretion of the prime minister or of one of the ministers in enforcing the provisions of operative laws.

In this case the retirement pension or severance pay to which a civil servant is entitled is to be settled in accordance with the operative decree. A civil servant may not benefit from any allowance or additional sum provided for in this decree, or in the operative law which went into effect with Decree Number 3169 dated 29 April 1972, or in the Civil Service Code, or in any other code.

**Article Seven:** (1) Within 1 year of the date this decree is to go into effect, the government may place any permanent or temporary employee holding a Grade Two position or less at the discretion of the prime minister or one of the competent

ministers. This may be done by decree passed by the Council of Ministers on the basis of a proposal made by the competent minister and approved by the Civil Service Board.

(2) The maximum period for placing civil servants in the grades mentioned in Section (1) above is 1 year. Their service is to be considered terminated when that 1 year expires, and no further evidence that their service is terminated needs to be issued unless they are re-appointed during that year to a position of the same grade. The retirement pension or severance pay to which they are entitled is to be settled in accordance with the operative decree. The termination of service is to be announced by decree of the chairman of the Civil Service Board.

Article Eight: Contrary to any other provision, [the following measures] are possible within 1 year of the date this decree goes into effect:

A. Twelve percent of the vacant Grade Three positions on the permanent staff of public agencies may be filled by secondary education teachers in the Ministry of National Education and Fine Arts who meet all the general and personal conditions for appointment, except the conditions of age and competition.

Appointments to these positions are to be made by a decree transferring the employees after the approval of the Civil Service Board [is obtained].

B. Permanent Grade Four civil service employees of public agencies may be transferred from their positions provided they meet all the public and private conditions for appointment, except for the conditions of age and competition. For that reason all Grade Four positions in public agencies are to be considered positions in the same corps.

Transfers are to be made by decree after the approval of the Civil Service Board [is obtained].

C. An individual who is not a member of the permanent staff may be appointed to the position of chief administrative officer or administrative officer, provided that no more than 15 such persons receive such appointments and provided each has a degree in law or an equivalent degree.

Appointments to these positions are to be made by decree in the last grade of the appointment category after the approval of the Civil Service Board [is obtained].

D. At its discretion the Civil Service Board may exempt persons from the requirement of taking a training course to receive a promotion to a Grade Two position, provided that said exemption is approved by the Council of Ministers.

Article Nine (A): Contrary to any other provision, and in the course of 1 year from the date this decree goes into effect, civil servants who are in service on 31 December 1983 and who pass the competitions or examinations that are given by the Civil Service Board are to be given preference in appointments to the positions for which they are competing, regardless of the sequence of the grades they earned in the competition or examination.

B. The rights of temporary employees, employees who are on contract or daily

workers on the permanent staff are to be settled according to the provisions of Section A of this article and in accordance with the laws and regulations that apply to daily workers.

C. In appointing a permanent civil servant to a vacant position in application of the provisions of Section A of this article, the legal provisions stipulated in the Civil Service Code are to be applied.

Article Ten: Measures that are passed on the basis of the provisions of this decree may not be reviewed or appealed in any way because this is the utmost authority in this matter.

Article Eleven: When necessary, the details of enforcing this decree are to be determined by decrees passed by the Council of Ministers on the basis of a proposal made by the Prime Minister.

Article Twelve: As soon as it is issued, this decree is to be turned over to the Chamber of Deputies for ratification.

Article Thirteen: This decree is to go into effect as soon as it is posted at the entrance to the prime minister's office.

#### Terminating the Service of Judges

Here is the text of the decree that comprises emergency provisions pertaining to judges.

Article One: Any judge in a court of law, on the state's Advisory Council or in the Accounting Office may request that his services be terminated within a period of 2 months from the date this decree goes into effect.

Article Two: An application for such termination is to be submitted to the prime minister or to the minister of justice who is to turn it over within 5 days to the Supreme Council of the Judiciary, to the office of the State Advisory Council or to the board of the Accounting Office, depending upon the agency with which the judge is associated.

These councils are to express an opinion on the forementioned application, and they are to return it to the prime minister or to the minister of justice within a period of 10 days from the date of receipt.

The prime minister or the minister of justice is to present the application to the Council of Ministers which may or may not accept it.

If 2 months elapse from the date the judge's application was recorded and no decision on the application was made, the application for the termination of service is to be considered accepted as of the expiration date of the forementioned period. The service of the judge shall be considered terminated, and there shall be no need for issuing any further evidence of that fact. The termination of service is to be announced by decreee from the competent minister.

Article Three: The retirement pension or severance pay for a judge whose service

is being terminated is to be settled in accordance with the provisions of Article Two of this decree. Said settlement is to be based on the last salary received by the judge on the date his service was terminated.

A judge who elects to receive severance pay is to receive an additional allowance of 1 month's [salary] for every 4 years of actual service and a half month's [salary] for a period of actual service that is less than 4 years.

A judge who elects to receive a retirement pension is to have 1 year of service added to his period of service for every 4 years of actual service, and half a year for a period of service that is less than 4 years. This is to be done for the purpose of calculating his pension. In case the maximum for retirement stipulated in the retirement system is reached, a judge is to receive severance pay for the additional years of service in accordance with the provisions of the previous section.

**Article Four:** Articles Two and Three of this decree shall not apply to judges who will reach the legal age of retirement during 1983.

**Article Five:** The government may, on the basis of a decree passed by the Council of Ministers and proposed by the prime minister or the minister of justice, terminate the services of any judge. The government may do so within a period of 3 months which is to begin at the end of a 2 months' period after this decree goes into effect. In this case the government shall settle the rights of a judge to a retirement pension or to severance pay in accordance with the operative decree.

**Article Six:** Measures that are passed on the basis of the provisions of this decree may not be reviewed or appealed in any way because this is the ultimate authority in this matter.

**Article Seven:** When necessary, the details of enforcing this decree are to be determined by decrees passed by the Council of Ministers on the basis of a proposal made by the prime minister or the minister of justice.

**Article Eight:** As soon as it is issued, this decree is to be turned over to the Chamber of Deputies for ratification.

**Article Nine:** This decree is to go into effect as soon as it is posted at the entrance to the prime minister's office.

#### Shaykhani Explains

Minister of justice and information, Mr Roger Shaykhani explained that the two decrees covered all public sector employees: people on contracts, daily workers and e m p l o y e e s . . It does not cover employees of independent departments and municipalities. A civil servant who is removed from his position has the same rights that a civil servant who resigns enjoys, and the government may refuse to accept the resignation of any civil servant.

Shaykhani said that the General Retirement Act shall remain in effect. Anyone who is entitled to retire may do so, and anyone who is entitled to compensation for the termination of service may receive such compensation. Said compensation is to

be added to the legal compensation to which he is entitled in accordance with the laws that are in effect. He is to receive an additional month of pay for every 4 years of service and half a month of pay for fractions of the four years. Anyone who elects to receive a retirement pension is to have 1 year of service added to every 4 years of [actual] service and half a year of service added to periods of [actual] service that are less than 4 years.

The purpose of distinguishing between compensation for a person who resigns and compensation for a person who is removed from office, as Shaykhani says, is to have the state encourage people to resign "because there is an astonishing number of civil servants who must be encouraged to resign." At the same time the government may refuse to accept the resignation of anyone it finds necessary to retain in service.

As far as judges are concerned, Shaykhani said, "There is no fear of a vacuum occurring in the judiciary. If something like that happens, it can be dealt with in a variety of ways."

#### Large-Scale Purge Threatened

Beirut AL-NIDA' in Arabic 26 Jun 83 p 13

[Article by Ahmad 'Ayyash]

[Text] Are we headed toward a snowballing administrative disaster?

The purge hangs like a sword over the heads of 60,000 civil servants.

The judge who prepared the purge decree during the days of Charles Helu was its first victim.

There are 60,000 government employees over whom the threat of a purge, proclaimed by decrees number 41 and 42, hangs like a sword. In previous experiences a purge produced nothing but anxiety. There is nothing in the present situation that would make one not anxious.

Numerous questions are being raised amidst those who are concerned with this matter. Official explanations are numerous and reliable, but they do not offer satisfactory answers. They do not satisfy the burning curiosity of those who are raising the questions.

But before all sides of the matter are turned, an observation by a former official must be made. That former official said that the decrees would be enforced and would not be subject to repeal. However, it is the results of the enforcement of those decrees that will determine their destiny, even though people will be sacrificed for experimenting with decrees.

#### The Snowball Rolls

Parliamentary circles said that the two decrees were the official snowball which began rolling with the measures that were taken [against] the disastrous

snowfall. These two decrees may snowball into an administrative disaster. Will that disaster occur?

Preparations for the two decrees that were issued on the 15th of this month were made in an extensive media campaign in which the Phalangist newspaper, AL-'AMAL distinguished itself by devoting scores of its articles to the Administrative Reform Order.

Are we in fact facing a process of reform, or are we facing something else?

In a television interview last Tuesday evening the minister of justice and information said that the purpose of the two decrees was to reduce the growth in the number of public sector employees which, as we mentioned earlier, amounts to 60,000. At the same time the minister said that the purpose of the two decrees also was to employ young and new competent people. It is easy to see that a reduction in force and the hiring of new employees are mutually exclusive.

#### The Two Decrees Analyzed

A former chairman of the parliamentary Administration and Justice Committee confuted the two decrees and revealed some of the mysteries behind them. The observations were as follows:

First, Section C of Article Eight of Decree Number 42 stated the following: "An individual who is not a member of the permanent staff may be appointed to a second or third grade position provided that no more than 15 such persons receive such appointments." Regarding that section this source said that a preliminary text was presented to the Council of Ministers. Instead of the phrase, "to a second or third grade position," that preliminary text stated "to the position of administrative officer." However, the government felt that such a text would be met with broad objections from the outset, particularly after the experience [the government had with] the partisan governor who was appointed in Zahlah. The government therefore obfuscated the categories of the positions to which those 15 persons who are outside the permanent staff will be assigned.

In the words of Minister of Justice and Information Roger Shayhani the government justified its action of appointing persons to public sector positions from outside the permanent staff by saying that "this practice is customary" in the public sector. The minister used ambassadors as an example of this practice. He said ambassadors usually came from outside the permanent staff of the Ministry of Foreign Affairs.

The parliamentary source responded to that official argument by saying that the appointment of ambassadors from outside the permanent staff of the ministry was based first on a provision in the regulatory code of the Ministry of Foreign Affairs. Second, such appointments are based on the fact that the field of diplomacy is characterized by the fact that it is a sensitive field for each administration. Therefore, it has become customary for an administration to turn to those it chooses to express its policy while it is in office. But those ambassadors work under contract. When the term of one administration expires, the status of those ambassadors is reconsidered. In most cases they are changed and returned to their original positions, those positions from which they had come.

This was the case with Ambassador Butrus Dib who went back to the university after serving as the head of Lebanon's [diplomatic] mission to Paris during the term of Ilyas Sarkis.

However, this practice is not at all common in the public sector. This may have been why Minister Shaykhani hesitated in answering a question which assumed that such an appointment had set a precedent. He said in response, "I do not believe so because there are numerous ambassadors who were not members of the permanent staff. At any rate, I will look into the matter."

#### Facing an Imminent Administrative Imbalance

The fact that outsiders are being forced upon members of the permanent administrative staff leads, as the member of parliament who made these observations said, to an administrative imbalance that gets deeper as people's qualifications are overlooked when people are being hired. Section A of Article Nine of Decree Number 42 states, "Contrary to any other provision, and in the course of 1 year from the date this decree goes into effect, civil servants who are in service on 31 December 1983 and who pass the competitions or examinations that are given by the Civil Service Board are to be given preference in appointments to the positions for which they are competing, regardless of the sequence of the grades they earned in the competition or examination, provided they were employed on the date of the competitive examination." This provision makes it possible to overlook the person who gets first place in one of the competitions and to appoint someone who ranked 20th in that same competition. After that who can determine the destiny of competent people in public sector employment?

#### Implications of Dictatorship

The provisions of the two decrees, particularly those regarding the matter of removal from office bear strong implications of dictatorship. Article Ten of the decree that removes immunity from civil servants states, "Measures that are passed on the basis of the provisions of this decree may not be reviewed or appealed in any way because this is the utmost authority in this matter."

Before that article, both Articles Five and Six state that "the government may, on the basis of a decree passed by the Council of Ministers and proposed by the competent minister, terminate the services of any civil servant or retire that civil servant from duty."

In this regard the same parliamentary source said, "In these two articles the government has overlooked two official organizations: the Civil Service Board and the Central Investigation Organization." In his opinion these two organizations act as a safety valve regarding the evaluation of any employee and the determination of whether or not he is fit to continue working.

The secretary general of the Judiciary Committee, Justice Munif Hamadan wrote a letter this week to the minister of justice about the decree that pertains to judges. He stated in it, "Articles Eight, Sixteen, Seventeen and Twenty of this decree are unconstitutional because they allow the government to terminate the services of any judge without determining the cause." Judge Hamadan added, "How can our laws provide all the guarantees to the most inveterate of murderers and criminals and deny those guarantees to judges?"

## Violating Emergency Powers

The first sections of the Emergency Powers Act which the government has had since 17 November 1982 states that "The government may pass decrees in the Council of Ministers that pertain to security and defense affairs; affairs of public safety (such as civil defense); affairs of development, construction, housing and civil organization; and media and judicial affairs. This includes laws that have to do with legal, judicial and contractual deadlines; with the resubmission of law-suits, official records and official and private documents that were lost; with the penal code; with the principles of civil, punitive and military procedures; and with the Civil Service Code, etc.

These are the sections that the government adopted from a legal standpoint to issue the two decrees. However, parliamentary sources said that the government came up with this on its own and did not rely on the [Emergency] Powers Act. The government's independent effort may be challenged. Among those who are objecting to the government's action is Representative Emile Ruhana Saqr who said, "The term, 'judicial affairs,' which is mentioned in the [Emergency] Powers Act can in no way be construed to mean an act regulating the judiciary. If the judiciary were covered under those powers, that would have been mentioned in the act regulating the judiciary, just as it was mentioned in the Civil Service Code."

Former minister of justice, Representative Khatshik Babakyan said that the measure which is mentioned in the decree that pertains to judges was "a special arrangement that previous administrations had used only rarely. It was like the purge which had raised many questions in 1965 early in the administration of President Charles Helu."

Other observations were made about the two decrees. The most notable of those observations was a question raised by Jamil Kibbi about authorizing the Civil Service Board to promote people to Grade Two positions without involving the Central Investigation Authority in that decision.

Judge Munif Hamadan also noted that the decree regulating the termination of army officers, of members of the internal security forces and of authorized public security agents from service offered more compensation to those officers than the compensation that was offered to judges. Minister Shaykhani explained this by saying that that was due to the small number of officers and the [relative] large number of judges and civil servants.

How can the imbalance in the provisions of the two decrees be faced? To carry this question further, how can the imbalance that will result from enforcing these decrees be confronted subsequently?

The Emergency Powers Act Number 36-82 states, "Decrees are to be presented consecutively to the Chamber of Deputies as soon as they are issued." The speaker of the Chamber of Deputies said that "Some people are finding fault with some of the provisions of the two decrees. These facts must be explained and rectified in the authorized committees in the presence of the competent ministers."

One representative suggested that judges and civil servants were to assume the initiative and bring the matter to the attention of the State Advisory Council so it can look into those decrees and their applications.

However, everyone's attention is turned toward what will happen behind the scenes of "the purge," particularly since the termination of one civil servant from service will be offset by the appointment of another. It is feared that the outcome of the present stage of the civil war will be manifested in the termination of one civil servant and the appointment of another.

In closing, reference must be made to the following incident: early in the administration of President Charles Helu the president had asked the chairman of the State Advisory Council then, the late Judge Jan Baz, to draft for him a decree that would deal with an administrative purge. Judge Baz drafted the decree, and the judge himself became one of its first victims.

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CSO: 4404/479

QATAR

BRIEFS

QATARI PAPER ON LIBERIAN-ISRAELI TIES--Doha, 15 Aug (QNA)--The Qatari paper AL-RAYAH has strongly criticized the resumption of relations between Liberia and the Zionist entity describing it as a blow against Arab-African relations, while at the same time constituting the second Israeli diplomatic success of this type in a few months. Commenting editorially today, the paper says that Zaire was the first country to violate African unanimity thus paving the way for the government of Samuel Doe to follow suit by allowing expanded Israeli penetration which constitutes a threat to the coherence of the African decision. Concluding, the paper stresses that Zaire's and Liberia's violation of African unanimity reflects a step backward for the unity of the struggle of the Third World Countries. [From the press review] [Excerpts] [GF151230 Doha QNA in Arabic 0845 GMT 15 Aug 83]

PDRY MEDIATION WITHIN FATAH PRAISED--Doha, 15 Aug (QNA)--The Qatari newspaper AL-'ARAB has expressed optimism that the efforts undertaken by the PDRY to end the differences between those who support and those who oppose Palestinian leader Yasir 'Arafat will be successful. Commenting editorially, the paper calls on the Fatah leadership and the opposition to respond to the PDRY role, saying it is designed to attain the common goals through reaching solutions in a democratic way for the good of the Palestinian issue and for the good of the national steadfastness in face of the challenges and dangers. The paper refers to his role adopted by the PDRY as being a confirmation of the national commitment to solve fraternal differences and end the disputes between the comrades of the weapon and of the trench. The paper also stresses that the PDRY is in a good position to play this role because its leadership has good relations with the various Arab sides and with the Palestinian leadership. [From the press review] [Text] [GF151220 Doha QNA in Arabic 0855 GMT 15 Aug 83]

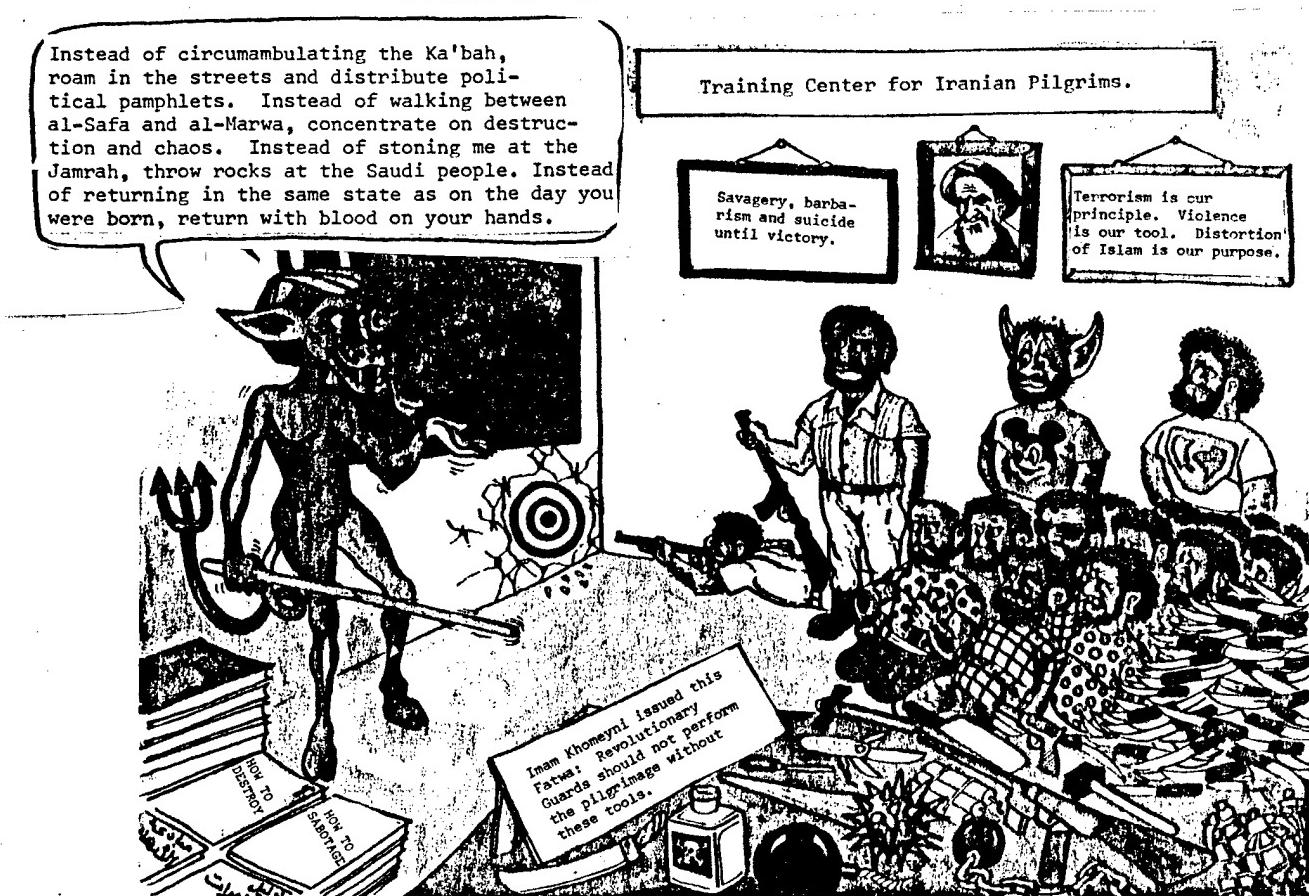
CSO: 4400/472

SAUDI ARABIA

ANTICIPATED IRANIAN DISRUPTION OF PILGRIMAGE SPOOFED

Riyadh AL-RIYAD in Arabic 31 Jul 83 p 28

[Cartoon]



CSO: 4404/542

SYRIA

PRESIDENT HAFIZ AL-ASAD GIVES INTERVIEW TO U.S. NEWSPAPERS

JN142005 Damascus Domestic Television Service in Arabic 1733 GMT 14 Aug 83

[Interview with Syrian President Hafiz al-Asad granted U.S. newspapers THE LOS ANGELES TIMES and the WASHINGTON POST, date not given; read by announcer]

[Text] [Question] Can your excellency tell us about your recent talks with Mr McFarlane? Were they successful? Can you give us an inside view of the result of these talks?

[Answer] Perhaps it is premature to talk in detail about this subject. That is why I say that our talks were lengthy and expanded. We listened to him attentively and he listened to us. I can say that the road before us is long.

[Question] Did Mr McFarlane give you new options which in your opinion were of interest?

[Answer] In fact, we did not notice that he had offered us something new.

[Question] Why was Mr Philip Habib no longer welcomed in Damascus?

[Answer] Mr Habib did not fulfill the commitments which he had promised on behalf of the U.S. administration and which were contained in the cease-fire agreement of 11 June 1982. These commitments stipulated Israel's complete withdrawal from the Lebanese territories and that the Israeli withdrawal begin immediately after the cease-fire agreement was reinforced. Nothing was demanded from the Palestinians or the Syrian forces in Lebanon.

The only thing which was said to be required were security arrangements in southern Lebanon similar to those 1978, provided Mr Philip Habib implemented them and discussed them with the Lebanese Government. This is what we were told and it was not included in the cease-fire agreement. When we asked him afterward why he did not fulfill what he had promised on behalf of the U.S. administration, he said to the effect that he could not. We said: If this is the case, what do international agreements and commitments by the U.S. administration mean? Instead of seeing the commitments, which I pointed out, being implemented, we saw the Israelis advancing toward Beirut, attacking and destroying. They demanded the removal of the Palestinians from Beirut and they achieved that. After that they demanded, and are still demanding, the removal

of the remaining Palestinians from the other Lebanese areas and the removal of the Syrian forces.

[Question] What are the disadvantages of the Lebanese-Israeli agreement in your opinion?

[Answer] Briefly, the agreement restricted Lebanon's sovereignty and made Lebanon lose the free will that is enjoyed by an independent state. Moreover, it constitutes a threat to Syria and, consequently, to the other Arab countries. I shall give examples of this. First, according to the agreement, Lebanon has no right to possess any air defense weapon on its territory whose range exceeds 15,000 feet. Second, Lebanon planes are not allowed to fly over southern Lebanon, that is, over Lebanese territory, except after informing the Israeli authorities. This means that Israel has taken over the Lebanese skies. Third, if any Arab or non-Arab country wished to transport an arms deal via Lebanon, the Lebanese Government, according to the Lebanese-Israeli agreement, cannot agree to the transit of this deal on land, sea, or air unless the importing country has diplomatic relations with Israel. Fourth, the decision in southern Lebanon is made jointly by Israeli and Lebanese elements. Fifth, the Israeli military elements will remain in southern Lebanon for an unspecified period of time. Regarding Syria, I will give only one example. Tel Aviv, Israel's capital, is 200 km from the Lebanese-Israeli border. Despite this fact, Israel has added 50 km as a security zone inside Lebanon, where Israeli military elements exist, while that security zone in which the Israeli military elements will exist is only 20-24 km from Damascus. Hence, I do not believe that anybody who discusses these matters objectively, will expect Syria to approve that agreement, because anyone who reads it attentively will understand why we in Syria have called it an agreement of submission. Such an agreement occurs in certain circumstances. It occurs when great wars such as the world wars break out and one side crushes another and imposes surrender on the defeated side. The real state of affairs in Lebanon is something different. First, there was no war between Lebanon and Israel during which Israel crushed Lebanon. Second, even if war broke out between the two countries, it would not lead to the usual results of world wars.

[Question] Is it possible that the Lebanese-Israeli agreement will fall and rot without implementing any element in it except those concerning the withdrawal?

[Answer] Do you believe that the agreement will fall by itself without making it fall? However, we do not oppose the Israeli withdrawal from Lebanon.

[Question] As I understand, the United States aims at achieving an arrangement for Syrian and Israeli withdrawal from Lebanon. But if the United States rejects the cancellation of the Lebanese-Israeli agreement, are there certain circumstances under which you will consider the withdrawal of the Syrian forces?

[Answer] Those who believe that we shall forsake Lebanon as an easy morsel to Israel will be mistaken, because Lebanon is an Arab country and there is a common history and fate between Syria and Lebanon. The question here is not a question of the withdrawal of the Syrian forces from Lebanon, and we do not need anybody

to persuade us of withdrawing our forces. If the United States wants us to withdraw, it should make Israel implement UN Security Council Resolutions 508, 509 concerning the Israeli invasion of Lebanon and which stipulate a complete Israeli withdrawal from Lebanese territories without imposing any conditions on Lebanon. It is noteworthy that the United States has approved those two resolutions.

[Question] Is national accord in Lebanon necessary or not?

[Answer] Any country passing through a civil war, which has engulfed the whole country for several years such as the war through which Lebanon is passing, will certainly need a national accord among the warring sides in order to regain its security and stability. I do not see any alternative to that accord in the near or far future.

[Question] Do you believe that Israel will pull out or will remain in southern Lebanon to carry out a de facto annexation? I have read that McFarlane has talked about a timetable for the withdrawal. Is this true?

[Answer] If we consider that Israel plans and works for achieving expansionist leaps from time to time within the framework of plans to create great Israel from the Nile to the Euphrates, and if we consider the memorandum submitted by the Zionist Movement representatives after World War I to the peace conference held in Paris--which puts southern Lebanon within the proposed Israeli border--we can say that Israel wants to annex southern Lebanon and that it is not in vain or a coincidence that the line to which Israel is going to withdraw, under the so-called redeployment of forces, is the same line defined by that memorandum in 1919.

[Question] What are Syria's intentions and needs in Lebanon?

[Answer] Our intentions and needs are that Lebanon remains free and an active member within the Arab arena, with respect to its Arab commitments, as is the case with Syria and the other Arab countries.

[Question] Will Lebanon be partitioned between Israel and Syria?

[Answer] The word partitioning is not accurate. Syria has been in Lebanon for the past 8 years. What we should say is that Israel is occupying and annexing southern Lebanon. Israel is the foreign body which has entered Lebanon.

[Question] How do you view the danger of war between Israel and Syria?

[Answer] We neither deny nor confirm this danger. It remains a possibility in light of the Israeli rulers' persistent desire for expansion and aggression.

[Question] If this is Israel's desire, then what does Syria wish?

[Answer] We wish that the occupied Arab territories, including Lebanon, would be liberated and that the Palestinian people would regain their rights. All this must take place in accordance with UN resolutions. I mean by this that

Lebanon falls under the category of occupied Arab territories. I do not mean by this that the withdrawal from Lebanon must wait until the Palestinians regain their rights.

[Question] President Mubarak told me that if Israel withdraws from Lebanon, he believes that Syria will withdraw from Lebanon. Is this true?

[Answer] Yes, he is right, if Israel withdraws without imposing conditions on Lebanon.

[Question] Can you tell us about the rift within Fatah and what it implies for the Palestinian people?

[Answer] These problems which are taking place in the Palestinian arena are not unfamiliar problems to the other revolutions in the world. In any case, we consider them an internal affair which concerns only the Palestinian organizations, and more specifically, the organization which is directly concerned with these problems, and I mean the Fatah organization. We wish that they would find suitable solutions to their problems in the service of the Palestinian cause.

[Question] How does President al-Asad view the possibility of a solution to the conflict in this region? Will this be through a comprehensive settlement? If so, what are the conditions for this settlement and how must it be achieved?

[Answer] Experience has shown that partial or separate solutions do not alleviate the intensity of the conflict in the region and do not bring the region any closer to the aspired peace. That is why the course toward the aspired peace is that of a comprehensive solution which can be achieved in accordance with the UN resolutions. This could take place within the framework of an international peace conference under UN auspices.

[Question] What issues do you expect such a conference to discuss?

[Answer] All the issues that caused this conflict. This conference must find a just solution to the Palestinian cause and achieve the liberation of the occupied Arab territories.

[Question] How do you view the situation in the region meaning that Syria remains where it is, that Israel remains in Lebanon while continuing with its settlement policy in the West Bank, and while the Americans are diverting their attention from the Middle East to the elections?

[Answer] Issues such as these cannot be settled in 1 day and cannot be subject to temporary or seasonal standards. This conflict will continue to exist for many decades. We are seeking solutions to it but not any solution and not at any price. We are seeking a just solution. This can be achieved 1 year from now, or 10, 20 or 30 years later or more than that. It is not logical to link this issue or any other of our fateful issues to the U.S. presidential elections.

[Question] Do you wish to see U.S.-Syrian relations improve? What do you see as necessary for improving these relations and what will you gain from such an improvement?

[Answer] Yes, we wish to have good relations among the United States, Syria and the Arabs. This calls for an objective, honest and nonbiased stand by the United States. If this is achieved, we believe that we would benefit and the United States would also benefit because such stand is in harmony with the U.S.' international responsibility in its capacity as a permanent member of the Security Council.

[Question] Does Mr President intend to improve Syrian-U.S. relations through McFarlane or Shultz?

[Answer] In fact, our discussions at present are confined to and principally center on the situation in Lebanon, more specifically, on the Israeli invasion of Lebanon.

[Question] Does Mr President wish to address a message to the people in the United States?

[Answer] We believe that the successive U.S. policies should embody the great principles which the American people advocated and struggled for at the beginning of their independence and following World War I--principles which attracted the world nations, particularly those which were subjected to oppression and colonization. Here, we and other world countries hope that the successive U.S. administrations would adopt honest and unbiased stands regarding conflicts in the world. There is no doubt that such stands express the desire of the American people because they respond to the desire of the world nations, particularly regarding freedom and self-determination.

[Question] There is a lot of talk in the West about the relations between Syria and the USSR. There are those who say that the Syrians are puppets in the hands of the USSR and there are those who say that Syria is an independent country that has relations with the USSR. Can you tell us about the nature of the relationship between Syria and the USSR? Do you consider the USSR as a trustworthy partner?

[Answer] The relations between us and the USSR are strong relations of friendship and mutual respect. The USSR adopts an honest stand on the Arab-Israeli conflict. It works for peace and against invasion, occupation, aggression, and Israeli attempts to impose hegemony on the region's states. On this basis, the USSR has acquired our appreciation and respect. Had the U.S. administration done the same thing, it would have acquired our appreciation. However, the world relations which some people like to talk about do not exist in the Syrian policy and thought.

[Question] Do you envisage a day when a different government in Israel is formed and it becomes possible for all the region's nations to coexist peacefully? If that was the case, how do you view things?

[Answer] I do not believe that this is impossible if everyone became convinced that Zionist dreams of expansion and domination cannot be fulfilled.

[Question] If an Israeli Government, which realizes that the Zionist dreams of expansion must be abandoned, is formed, do you believe that the rest of the region's nations will agree to the existence of Israel, and shall we say, within certain and specified borders?

[Answer] Peace in the region can be established on the basis of UN resolutions which were recognized by the international community. We have previously announced our commitment to these resolutions. Peace can be discussed by an international conference on peace under the UN auspices.

[Question] Can you give us your opinion on the Arab world which seems to be divided? The Arab world is not united. Do you foresee any change, and if so, how will things change?

[Answer] Undoubtedly, the image of Arab solidarity is not at its best now, but in the past it had not been an impossible thing to achieve. I am confident that we will overcome the obstacles that have contributed to the existence of these difficulties. I am also confident that the achievement of a better image than the present one will be the result of the efforts of several of our sincere brothers who are seeking to enhance this image and who sense that Arab interests and the Arabs common fate call for an Arab solidarity which should be more entrenched than the present one.

[Question] Will this require a change of any governments in some Arab countries?

[Answer] Not necessarily.

[Question] In your opinion what implications does the Iraqi-Iranian war have on this region, and do you believe this war will end soon?

[Answer] The Iraqi-Iranian war has negatively reflected on the region. This is what took place from the beginning and against which we have warned. Undoubtedly, foreign interests were the ones who fanned this war and one cannot easily say that there is a foreseeable end to this war.

[Question] Can you tell us about domestic affairs in Syria, such as the economic development and the improvement of the standard of living since you assumed power in Syria?

[Answer] In the economic sphere, we have achieved important gains. We established new industries, several plants, and important irrigation and agricultural projects. By doing so, we were able to provide job opportunities for thousands of citizens and develop services throughout the country. On the cultural level, we have also scored very important achievements. We built schools and cultural centers in the cities and villages. We have at present some 2.5 million students and some 150,000 students in our universities and the institutions belonging to them. We also have more than 20,000 students

who are studying abroad. I believe that in this sphere, we are the first among Third World countries as far as the size of the population is concerned.

With respect to the exercise of popular democracy, there is in Syria a national progressive front made up of five parties, and led by the Arab Socialist Ba'th Party. This party is widely spread among the workers, peasants, students, women and the intellectuals. We also have in our country popular organizations with deep-rooted traditions. There is the General Federation of Trade Unions, which is a solid organization. We also have the peasants union which comprises the peasants in Syria, and also the students union, the youth union, the women union, and the teachers' union. These unions are the backbone of Syria's political, economic and cultural life.

As for the democratic and constitutional institutions, we have the People's Assembly, which is the legislative power and which is directly elected by the citizens. We have local councils in the various governorates, in every city and village. They are directly elected by the citizens and run the affairs of the citizens. I conclude by saying that I am satisfied and optimistic about the future.

[Question] What do you hope to achieve in the coming years?

[Answer] We hope to achieve successes in the various walks of life and to continue building our economy and cultural life as well as our democratic life and to defend our national and Pan-Arab interests.

CSO: 4400/471

## UNITED ARAB EMIRATES

### OIL REVENUES SUFFER 'SHARP DROP' IN 1982

#### Oil Reserves Drop

Kuwait ARAB OIL in English No 8, Aug 83 p 27

[Text] A sharp drop in the United Arab Emirates (UAE) oil revenues slashed country's balance of payments surplus and pushed its budget into deficit last year, official figures released recently showed.

Oil revenues, depressed by weak world demand for crude, fell to 9.4 billion dollars in 1982 from 12.4 billion dollars the previous year, Central Bank figures showed.

The current account balance of payments surplus fell to 7.0 billion dollars from 9.2 billion dollars in 1981, while the overall surplus was more than halved to 1.6 billion dollars compared with 3.5 billion dollars.

The figures also showed the seven-emirate federation had a budget deficit last year of \$627 million after a surplus of \$1.6 billion in 1981.

A finance ministry official said earlier that the budget deficit reached almost \$270 million in the first four months of this year.

Total Federal revenues dropped to \$10.8 billion from \$13.8 billion in 1981 and expenditure was cut to \$11.4 billion from \$12.2 billion.

The Central Bank said the figures were preliminary, and final statistics could show a further deterioration.

#### Expenditure

It said development expenditure was raised slightly despite the cut in total spending to \$2.5 billion from \$2.3 billion in 1981.

Spending on health services, agriculture, industry and electricity was increased while development spending in other areas was held steady or cut only slightly, it said.

The Central Bank said defence spending was also boosted, but gave no figures. Previous estimates have put the increase at around 10 percent.

Reduced oil production and related falls in revenue have forced UAE to start facing up to the "harsh realities of economic life" in a world hit by the recession, Lloyd's List newspaper said recently.

In a 10-page special report on the Emirates, the London-based specialist energy and shipping daily added that the UAE government was expected to put a freeze on new federal projects this year and cut spending by a third.

Under the OPEC agreement of last March, the UAE was allowed a production quota of 1.1 million barrels a day, although it had earlier asked for a ceiling of 1.5 million bpd, the paper noted.

#### Sharing

One of the "trickiest problems" which had to be dealt with by the UAE federal authorities was the question of how this quota should be shared by the individual emirates, it went on.

Although Abu Dhabi still dominated the scene, producing more than 80 per cent of the UAE's total oil revenues, most of the other emirates were pushing ahead with exploration and production plans.

There had been recent sizable discoveries on or offshore Dubai, Sharjah and Ras Al Khaimah.

Another area of "intense competition" was that of port facilities, Lloyd's List commented.

The full opening this month of Fujairah port would bring the total number of deep water ports in the Emirates to seven.

All were "locked in a struggle for transhipment traffic" which they all feel is vital to their individual survival and development.

### Projected 1983 Drop

Kuwait ARAB OIL in English No 8, Aug 83 p 27

[Text]

Abu Dhabi Emirate, the largest oil exporter in the United Arab Emirates (UAE), is projecting a 28 per cent drop in its 1983 budget revenue, Finance Department Under-Secretary Joan Salem said.

The decline was mainly due to the world oil glut and lower oil prices, officials said.

Salem told the UAE newspaper Al-Bayan that budget revenue, over 90 per cent of which come from oil, were expected to drop to \$5.8 billion in 1983 from \$8.1 billion last year.

The Abu Dhabi Emirate executive council approved on June 5 budget spending of \$6.65 billion, leaving a \$754 million deficit.

Comparable 1982 figures were not released and there was no indication of how the deficit would be financed.

#### Federal

The spending figures included Abu Dhabi's contribution to the UAE federal budget.

Salem said Abu Dhabi's contribution would account for 50 per cent of the Federal budget, but he did not specify its size.

The Federal budget covers the seven emirates — Abu Dhabi, Dubai, Sharjah, Ras Al-Khaimah, Ajman, Umm Al-Qaiwain and Fujairah.

The UAE Federal budget has not yet been announced, but a finance ministry decree has ordered a halving of 1982 government spending until the budget is issued.

Abu Dhabi's oil output dropped 21 per cent last year to 883,000 barrels a day. It was cut again to 800,000 barrels to abide by its Organisation of Petroleum Exporting Countries (OPEC) quota set in March.

#### Dubai

Dubai, the other contributor to the Federal budget, has also suffered from reduced oil revenue. Its output was cut to 300,000 barrels a day from 360,000 earlier this year.

Out of Abu Dhabi's budget, \$1.24 billion will be assigned to the emirate's local budget, the Finance Under-secretary Salem said.

Another \$1.68 billion was allocated for the Abu Dhabi annual development program, a 204 million drop from last year's allocation, officials said.

CSO: 4400/469

## MIGRANT WORKER NUMBERS INCREASE IN GULF

Kuwait ARAB OIL in English No 8, Aug 83 p 34

[Text] **T**he total number of migrant workers in the seven Gulf states — Oman, the UAE, Bahrain, Qatar, Saudi Arabia, Kuwait and Iraq — is expected to be 3,548,000 in 1985 as against 1,600,000 in 1975.

According to a recent study, Saudi Arabia continues to be the prime draw for migrant workers, accounting for nearly 50 per cent of the 'influx'. At present, Saudi Arabia is said to be having 700,000 Pakistanis, 200,000 Filipinos, 100,000 Indians, 100,000 Koreans, 70,000 Thais, 35,000 Bangladeshis, and 30,000 Sri Lankans, reports Arabia: The Islamic World Review.

The bulk migration to the Gulf consists of unskilled and semi-skilled labour. It emanates mostly from the farm belt, although there is also a large number of professionals, particularly from India, Pakistan and Egypt.

### Problems

While both the labour importing and exporting countries have benefited from this flow of workers, there have also been many problems. Among the Gulf States, there is a concern about the rising population of non-nationals, both Arabs and Asians. A World Bank report estimates that the proportion of citizens in the total populations of the seven Gulf states will fall to 57 per cent in 1985 from 76 per cent in 1975, yet the changing panorama is being viewed in all seriousness by the region's authorities.

A point engaging much attention in this context is that the Arab component of non-nationals is expected to dip from 71 to 56 per cent while the Asian share would rise from 19 to 31 per cent. Again, among the Asians, those of South-East Asian origin are expected to gain ground rapidly, by more than nine per cent to 370,000, if the economic growth continues.

The main reason for the falling proportion of the Arab, and more generally Muslim, migrant labour appears to be that the South-East Asian countries have a sleek network of governmental and private agencies, coordinating and monitoring labour movements, as per the changing pattern of Gulf States' needs.

For instance, the Philippines Labour Ministry recently proposed certain financial measures to tide over the problems of ceiling on remittances from Iraq, in order to help the Filipinos continue working there. The proposals are said to have evoked a positive response from the Iraqi government. In sharp contrast, nearly 20,000 Pakistanis had to return home following the cutbacks on spending, and an equal number of Indians had also to follow suit for want of timely shifts and adjustments.

Like the Filipinos, the Koreans have also been successful in evolving institutions to help streamline migration of manpower, effectively blending governmental patronage and private enterprise in placement services. As compared to such an organised and responsible approach, agencies in Arab countries are mostly private organisations, primarily interested in their own commissions.

There is a good lesson to learn for the labour exporting countries of the Middle East from the way their South-East and Far East Asian counterparts function in result-oriented fashion. Given the Islamic affinity with the Gulf states, access to well-organised networks of such agencies should put them ahead of other countries — and possibly revise their falling share in the migrant labour market.

### **Earnings**

Foreign exchange earnings from remittances are quite substantial for the labour-exporting countries, particularly for India and Pakistan. It is sheer commonsense that such foreign earnings can constitute a veritable source of development finance — if only the remittances are channelled into productive enterprises. Unfortunately, the indications have been that much of the homeward remittances go to finance non-productive activities.

Among the Indian expatriates, there is a rising tendency to spend hastily and disproportionately on gold ornaments and biscuits at the Gulf end and on real estate and automobiles at ridiculously high "black market" prices at the home end of the jaunt.

Lately though, there has been efforts on the part of Pakistani and Indian governments to persuade workers in Gulf states to invest more in productive ventures than in dormant propositions. There has been some response, but much greater efforts are needed at various levels, if migrant workers are to be educated as to the best use of their earnings, both for their personal benefit and for productive investment. The need for a sustained educational campaign is of extra significance, since a good majority of unskilled workers is illiterate.

### **Inflation**

There has also been another side to the positive potential of remittances — inflation. The shortage of manpower in the labour-exporting countries, especially during peak agricultural seasons, has tended to send wage rates and production costs high.

In the Jordan Valley, it is said excessive migration has boosted agricultural wages to the urban levels and caused such a labour shortage that unskilled Asian labour had to be brought in to supplement the residual local element. In Egypt, the tradition of able-bodied men working on farms during peak seasons and earning extra money in nearby towns during slack seasons has been interrupted by large-scale migration which has adversely affected food production.

In India, and markedly in the 'Malabar sector' of the south, the vagaries caused by migration and inflation have been serious indeed. While on the one hand the economic disparity between the Gulf-money-oriented families and the rest has widened at a steady pace bringing in its wake a train of socio-economic anomalies, the acute shortage of labour both for the farm and services sectors has sent daily wages sky-rocketing.

UNITED ARAB EMIRATES

BRIEFS

BANK ASSETS GROW--Dubayy, 14 Aug (QNA)--Foreign assets of gold and hard currency in the central banks of the GCC countries nearly doubled during the past 2 years. They totalled \$144 billion by the end of 1982 against \$73.8 billion in 1980. This was revealed in statistics of the unified economic bulletin issued semi-annually by the Gulf Central Banks and published in today's issue of the newspaper AL-BAYAN. The overall assets in the working trade banks in the GCC countries increased from \$43.1 billion in 1980 to \$76.5 billion in 1981 and to nearly \$93.3 billion in 1982. The overall assets of the GCC central banks totalled about \$151.1 billion by the end of 1982. [Text] [GF161432 Doha QNA in Arabic 0855 GMT 14 Aug 83]

FOREIGN LABOR--AL-Shariqah, 14 Aug (QNA)--Today's issue of the newspaper AL-KHALIJ said that the UAE Labor and Social Affairs Ministry's statistics indicate that the foreign labor force in the UAE is about 250,000 people, 80 percent of which is Asian and of which 35 percent is Indian and 35 percent Pakistani, while the Arab labor force does not exceed more than 18 percent, according to the 1980 statistics. In a report about the labor force in the UAE, the newspaper said the time factor between 1980 and 1983 has not had any major effect on these statistics except that 90 percent of the Asian labor force is illiterate, most of its efforts are manual, most of them are unmarried and found everywhere. [Text] [GF161432 Doha QNA in Arabic 0910 GMT 14 Aug 83]

CSO: 4400/472

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

FISHING INDUSTRY, COOPERATION WITH USSR DISCUSSED

Aden AL-THAWRI in Arabic 4 Jun 83 p 14

[Article by Muhammad Sa'id Muqabbal: "Overseeing Production Competition in the National Organization for Fish Marketing and the Yemeni-Soviet Mission"; date and place not specified]

[Text] Production contests and competitions have begun among the various labor organizations, as a positive step and a superior way to improve and develop work, and thereby, to produce considerable economic rewards in order to strengthen and develop the national economy.

This productive competition is earning considerable importance since it has become a splendid tradition, embodying the wise policy of our Yemeni Socialist Party, for the purpose of creating a spirit of honorable competition in labor and to elevate methods of production and improve their quality. Among the trips to various production and labor organizations made by AL-THAWRI to shed light on results achieved, we interviewed the director of the Yemeni-Soviet Fishing Mission. We also had meetings at the Coastal Fishing Organization. We met first with Comrade 'Ali 'Abdallah Hamid, the director of the Joint Soviet-Yemeni Mission, who told us about the nature of the growth and work of the mission. He said:

"The Joint Yemeni-Soviet Fishing Mission was established in accordance with a protocol for technical and economic cooperation between the People's Democratic Republic of Yemen and the Soviet Union in June 1971. The purpose of that is fishing, the exploitation, preparation, freezing and exporting of fish products, such as deep sea (shurukh), sponges, (al-zanjah) and fish.

Perhaps the most prominent characteristics of the mission is its existence as a symbol of the mutual friendship and cooperation between our two friendly countries.

During the past few years of the mission's productive activities, approximately 24,000 tons have been produced, of which 9,600 tons were fish, 11,500 tons of cuttlefish, and more than 2,500 tons of deep sea (shurukh), with a total value of some \$40 million.

During 1982, the joint mission achieved some 102 percent of its production plan, since total production amounted to 2,143 tons, broken down as follows:

1,147 tons of fish  
650 tons of cuttlefish  
312 tons of (zanjah)  
34 tons of (shurukh) tails.

#### High Success for the Plan

[Question] To what extent did the production competition help to implement the mission's plan for the first part [of the year]?

[Answer] Starting with the fact that 1983 is the year of production contests and competition, in accordance with the instructions of the Yemeni Socialist Party in this regard, we have pledged ourselves to carry out the production plan during this year in preparation for the celebration of the 20th anniversary of the glorious revolution. Therefore, we have successfully implemented the plan for the first part. I should add that the Accounting Department has closed the final accounts of the general budget for the year ending 31 December 1983. Moreover, there was a significant improvement in implementing the daily tasks of the rest of the administrative departments. I should also add that our boats fulfilled their daily production quotas by 112 to 118 percent.

If we talk about the plan for the first part [of the year], we find that its implementation exceeded 145.6 percent, while the fiscal plan achieved 130.4 percent. This excellent achievement level was not done in a vacuum, but rather, it came about as a result of mutual efforts and the solving of production problems, in mutual cooperation and coordination with the masses' organizations, and due to the workers' consciousness and their enthusiasm for the job. A decision was implemented tying wages to production which gave a high psychological incentive to the workers of the sea.

We can compare implementation of the plan for the first part of 1983 with the first part of 1982, by means of the following table [see below].

[Question] How does the Joint Yemeni-Soviet Mission participate in supplying the local market with fish?

[Answer] The mission participates in supplying the market with fish through the National Fish Marketing Organization. During 1982, the domestic market was supplied with approximately 9,500 tons of fish.

In the first part of 1983, the market has been supplied with about 393 tons. The joint mission is always trying to improve the quality of preparation. This is being noticed by the brothers in the National Fish Marketing Organization, since the fish are getting to the markets in excellent shape.

## Activities of the National Organization

We then went to the National Fish Marketing Organization, where we met with Comrade Ahmad Muhammad al-Muhdar, the organization's director general, with whom we discussed the production competition and its effectiveness in implementing the organization's plan.

[Answer] The decision for the facilities subordinate to the Ministry of Fish Resources to enter the production competitions and contests was done in compliance with the call of the Central Committee and the General Federation of Workers' Unions. That is why our organization entered the production competition. Despite the fact that we have not yet officially evaluated the results of the competition, we can say that implementation of the competitions' plan is proceeding very well. We can see that through the rise in the organization's administrative performance and the reduction of expenditures, in addition to improved follow through in supply matters.

[Question] What about future projects to develop marketing?

[Answer] The organization included a project to improve domestic marketing in its investment plan for 1983. It is aimed:

1. To raise the efficiency of the organization's administrative, fiscal and technical performance through internal and external training and qualification, and thereby reorganize the organization administratively.
2. Introduce good rules, for the purpose of raising the standards of fish preparation and distribution, to ensure that the fish are better prepared for sale in appropriate places, within the public health requirements. A preparation unit has been built, along with two model stores to sell fish to the citizens. Note that this project is being extended for the period from 1983 up to the end of 1985.

## Marketing Difficulties

[Question] What about the difficulties that you face, and how do you solve them?

[Answer] The marketing of foodstuffs is a complicated business, and it becomes even more complicated when it involves the marketing of a highly perishable commodity. This occupies an important place in the food system for the citizens and, accordingly, we can highlight the difficulties that we face as follows:

1. The disparity between the fish offered and the consumers' tastes.
2. The specialization of the modern fishing fleet in fishing for deep water fish and the increase in the local market's dependence on them.

From this point of departure, we can say that the solution could be outside the scope of this organization, that is, within the ministry's purview. However, since we are considered part of the ministry, we can summarize the arrangements adopted to overcome these difficulties, since investment priorities must be redefined and a look taken at serving domestic marketing requirements. This means the following action:

1. Determine the basic surface fish locations and reserves, especially those readily acceptable to the citizens.
2. Maintain and develop the new structure presently employed.
3. Modernize, expand and develop methods of coastal fishing.
4. Support "cooperatives" so that they can become more effective and positive in covering the local market.
5. Expand coastal services connected with the fish cooperatives' activities.
6. The necessity for balance between the types of fish marketed and the consumer's taste.

#### The Role of the Rank-and-File Organization

We met with Comrade Muthanna Qasim 'Ubayd, secretary of the rank-and-file organization, who talked to us about the role which that party organization plays, along with the rest of the masses' organizations, in achieving good results in light of the production competitions.

[Answer] Based on the guidance of the Secretariat General of the Fishermen's Union, a special committee was formed for the competitions in our facility, which is considered the intermediary between the producer and the consumer. Therefore, our task in the competitions was to concentrate on improving getting the commodity to the consumer, through better, guaranteed methods, and thereby reducing unnecessary expenses for the product, in addition to improving the workers' conditions through psychological and material incentives.

A committee was formed for the competitions, to assume direct supervision over the participating departments. A special committee was also formed to follow up on reports concerning the percentage of accomplishments.

It can be said that the results of the competitions have had a positive return during the period from January to April, since suitable ground rules have been established for a system of storage and packing that is better than in the past. Thus has begun a policy of distributing the product to the consumer from a central warehouse. A voluntary work team has also been formed composed of the "most praised" activists. Two initiatives have been undertaken, whose returns are estimated at 500 dinars.

Indicator	First Part of 1983			First Part of 1982		
	Planned	Implemented	Percentage	Planned	Implemented	Percentage
Total production in tons	599.3	872.7	145.6	419.5	508.7	121.2
Fish	487.5	729.6	149.7	339.0	408.4	120.4
Cuttlefish	—	3.4	—	—	27.0	—
Zanjah	87.5	115.2	131.7	34.5	59.1	171.3
Shurukh	24.3	24.6	101.2	46.0	14.2	30.8
Total value (in 1,000's of dollars)	562.8	733.9	130.4	594.5	482.5	81.1
Fish	243.2	364.9	150.4	169.5	204.0	120.3
Cuttlefish	—	8.0	—	—	67.5	—
Zanjah	124.7	164.2	131.7	57.0	97.4	170.8
Shurukh	194.4	196.8	101.2	368.0	113.6	30.8

The rank-and-file organization has also worked hard to create a spirit of cooperation among labor circles, in order to assist the union committees which have an effective role in implementing all the plans and programs. In this way, the workers can be urged to exert more efforts and to work with more self-sacrifice and devotion, in order to improve the product.

7005

CSO: 4404/473

## PERIODICAL CLAIMS GUERRILLAS 'WAGE TERROR ON SOVIETS'

Kuala Lumpur ASIAN DEFENCE JOURNAL in English May 83 p 92

[Text]

Since the war in Afghanistan began three years ago, the Soviet authorities have exercised tight control over the flow of information to the outside world and to the Soviet people. But now their attitude has softened and they acknowledge the losses caused by the Mujahideen.

The situation in Kabul is tense. Security arrangements have been tightened in Kabul and in the areas adjoining the Soviet borders because the Mujahideen have adopted the new tactic of kidnapping the Soviet advisors as in the northern city of Mazar-i-Sharif. It is thought that there are a lot of technicians in the area because of the nearby Soviet built fertilizer plant and the Soviet natural gas project.

According to a report, this war is costing the Soviets between US\$18-50 million per day and they have reportedly suffered almost 30,000 casualties over the last three years.

There has been fighting between the rival factions of the Afghan army. According to a report recently, a clash took place in the army barracks in Kabul. Exchange of fire took place between the Parcham faction, supporting the ruling party and the rival Khalq faction.

Hundreds of Afghan government militarymen have risen in revolt in the 25 Garrison division stationed at Khost about 20 miles away from the Pakistan border. They have killed many Soviet advisors and Afghan officers.

Two senior Afghan intelligence officers Lt. Gen. Mirakay, Commander of the KHAD, Afghan Intelligence Agency and Brig. Hayat who were in Pakistan said that 20,000 Afghan intelligence men and members of hit squad have infiltrated

into Pakistan. They have been directed to kill guerrilla leaders living in and around the border town of Peshawar.

The Salang tunnel, being the main supply link between the capital and the Soviet Union has frequently been the target of raids by the Mujahideen. The 2.6 km (1.7 miles) long Soviet built Salang Pass tunnel in Afghanistan's Hindukush mountains was the scene of a calamitous accident in the first week of November 1982. On the main route, a civilian fuel truck collided with the lead vehicle of a Soviet Army convoy in the tunnel, 90 km (60 miles) north of Kabul. As a result, as many as 2,700 people including 700 Soviet soldiers were reported to have been suffocated and burnt to death.

During the past few weeks Herat province was the main focus of the activities of the Mujahideen. In one incident they destroyed three tanks and 15 transport vehicles and killed 34 Soviet troops. According to another report, in Herat city, Mujahideen raided a military post in Dohab area, killing 12 Soviet-Afghan soldiers and captured 12 rifles and a wireless set from them. In another clash, six Soviet soldiers were killed by the Mujahideen, one MIG and two copters were shot down in Herat province, two oil tankers and one jeep were set on fire.

In yet another move, the Mujahideen attacked the Soviet-Afghan troops in Nangarhar province, destroying three tanks and killing a number of troops.

Another report says that Mujahideen attacked the Government's Guest House in Kabul, killing or wounding 16 guards and five armoured vehicles were damaged in the raid. The Mujahideen have repor-

tedly damaged Mehipar Power station, east of Kabul in a rocket, mortar and artillery attack.

In Chahrakania of Ghorion district, the Afghan freedom fighters launched an attack on a convoy of the Soviet occupant troops and the Afghan government forces and killed four officers and 20 soldiers.

In Farah province, the freedom fighters destroyed one Soviet tank and killed 11 Soviet soldiers. Another incident took place in Nimroze province in which two Soviet tanks were destroyed and a number of Soviet Afghan government troops were either killed or injured. In a successful operation the Mujahideen killed 20 soldiers and captured a considerable quantity of arms in Shindand district.

The Soviet Union is said to have improved at least two main airfields, including Bagram, north of Kabul; built a new air base at Lashargah, east of the Iranian border and a large underground workshop and depot for tanks and lorries at Qalagai, in Baghlan province. About 170 projects have been built or are under construction in Afghanistan with Soviet aid.

In January this year an agreement was signed between the two countries to prepare a feasibility report on technical and economic aspects of diversion of Frung River to its original course. It poses a threat to agricultural land in Saw-yal and Sadaran areas.

CSO: 4600/805

TURKISH MONTHLY COMMENTS ON SOVIET OCCUPATION FORCES

Istanbul MIDDLE EAST REVIEW in English Jul 83 pp 18-19

[Article by Deniz Banoglu]

[Text]

**W**ith undiminished conviction and strength, the resistance fighters in Afghanistan are waging an unwavering struggle against the Soviet occupation.

Meanwhile, negotiations are continuing between Pakistan and Afghanistan to end the occupation and return to their homes the millions of Afghan refugees who have escaped to neighboring Pakistan.

These are the realities of the Afghan occupation, which is about to enter its fourth year.

Another reality not so well known is this: The Soviets, who have denied the Afghan people their freedom and subjected them to every kind of inhumane treatment, are going to be dealt their biggest blow not by the Afghani Muslims but by the soldiers of their own army, because the Soviet soldier has lost all confidence in and respect for both his country's administration and the high ranking officers at whose side he is fighting. He has realized that he was duped and deceived in being sent to Afghanistan. These tender youths (most of whom were born in 1962), who back at home thought only about their jobs and are unaware of the atrocities perpetrated by Stalin, were duped into believing that the people's revolution in Afghanistan was being threatened by imperialist powers infiltrating from Pakistan and, after being sent to Afghanistan, were forced to fire on in-

nocent civilians.

These duped and deceived Soviet soldiers learned the truth in the prisoner of war camps where they were held by the mujahedin (Afghani warriors). Western journalists who visited these camps talked with these youthful soldiers and reflected the truth to the world press.

This, for example, is the confession of a 21-year-old Soviet soldier in one of these camps: "We were quite contented in the Soviet Union. We believed in our country. Why did they lie to us? Why did they deceive us? We are not professional soldiers. We are just ordinary citizens doing our two-year stint in the army. But we learned the truth at the cost of our own lives. We have seen that the average Soviet citizen does not know a thing about the war in Afghanistan."

Another soldier by the name of Kisselijow comes from an industrial city called Pensa 600 kilometers east of Moscow. When he completed his military training in 1981, he was sent from Lithuania to the Fergana region of the Uzbekistan Republic on the Afghan border. He relates what happened after that as follows: "We were working on construction sites in Fergana. One day they came and asked if any of us wanted to go to ~~Afghanistan~~ Afghanistan as volunteers. A First Lieutenant collected us together and said that imperialist forces infiltrating from Pakistan were attempting to undermine the people's revolution in Afghanistan, that Babrak Karmal was

our friend and that we should help him and defend Afghani peasants against reactionary mercenary soldiers."

Thousands more soldiers were deluded by this lie. One soldier commented, "In the Soviet Union we were told that we were going to fight against mercenary Chinese and Iranian soldiers who were working to crush the Afghan people. After we got here, we realized that the people we were forced to kill were Afghan peasants."

"When a man is deceived, he loses all his courage," said another Soviet soldier named Shurakovski adding, "The Soviet soldiers in Afghanistan do not want to fight against the civilian population. They have started to view their country from a different perspective. They are ready to shoot Babrak Karmal when they see him."

Captured Soviet soldiers have even more hair-raising tales to relate. These youths, who say they are ashamed of and disappointed in what the Soviet army is doing, report that they were forced to execute the villagers whose homes they entered to search for weapons, and that when a few of their own numbers were wounded they did not refrain from killing even women, children and the elderly. When these soldiers protested to their superiors who gave them such orders, they were exposed to unimaginable tortures.

The Soviet soldiers regard Soviet officers as solely responsible for this heinous crime against mankind being

perpetrated in Afghanistan, because these officers are vying with each other to be assigned to the Afghan front where their pay is twice what they would get back home. There are other reasons too for the officers' eagerness to take part in the Afghan war: They are rewarded and given medals in proportion to their success in the war. Furthermore, in terms of time, service at the front counts double ordinary military service.

While the officers are fed in style on the one hand, the ordinary soldiers, faced with starvation, are selling gasoline, ammunition and their boots in Afghan markets in order to afford a loaf of bread.

Yes, the Soviet army is going to be brought to its knees, by the bold, unflinching Afghan insurgents on the one hand, but, on the other, by these wretched soldiers who have been victimized by the lies, deceit, ambition and greed of their officers and who no longer feel the slightest respect for their country...

Some Soviet soldiers are deserting and joining the ranks of the Afghan resistance; some are being captured by the Afghans; and some are taking their own lives in desperation. The majority of them die at the front. The latest figures show that at least 25,000 Soviet soldiers have lost their lives and that at least one fourth of those taken prisoner have committed suicide. In one way or another, the Soviet occupation is going to come to an end... ●

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INDIA

INDIA'S ROLE ON AFRICAN CONTINENT ANALYZED

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Article by M. J. Zins

Text Africa is not at the forefront of India's foreign policy concerns. Little is written in India about Africa. Public opinion is hardly interested in it, or not at all. As for Africa, the least we can say is that it is not passionately interested in India.

And yet India's interest in Africa is now growing. This process, though just beginning, is well enough established to occasion one reflection. Third World countries still maintain privileged relations with former colonial powers which are essentially akin to relations of subordination and dominance. Horizontal relations linking underdeveloped countries to each other are, however, tending to arise. That is what is henceforth called the South-South dialogue, and it is in this new context that India appears to be in a position to play a privileged role.

Despite its underdevelopment, India in fact takes its place among the dozen or so of the world's most industrialized countries. It has a powerful heavy industry sector, a technology, an internal economic infrastructure, and assets in brains which allow it not only to pursue an independent policy, but to appear to be halfway, as it were, between North and South. At the same time, its very experience as an underdeveloped country--which it still is--gives it credentials as a country of the Third World, indeed as one of its spokesmen. Thus India can take advantage of the very duality of its economy and stage of development in order to further its cooperation with Africa.

So one question we ask ourselves is what type of relations India intends to establish and develop with the African continent. Will Indo-African cooperation be conducted to the mutual advantage of each partner, or will India adopt a type of conduct ultimately resembling that of industrial capitalist countries? There are those, as we know, who already unhesitatingly denounce its role in Africa as one of mini-imperialism.

Of course, no one will deny that India's historic past has nothing in common with that of the West as regards relations with Africa. And above all, the

means of action available to Indian capitalism are infinitely weaker than those of Western countries. But may not that very fact be a positive factor in the eyes of many African countries seeking to diversify their relations with the outside world? And is not India aware of this? Could it not then hope to play the role of a medium size power in Africa, and one all the more legitimate in African eyes since its sea frontiers are contiguous with the east coast of Africa, and since in terms of the balance of power in today's world the idea of the Indian Ocean as a zone of peace geographically and strategically links the interests of India with those of a portion of Africa?

Those points, it seems to us, deserve to be emphasized at the outset of the present study, limited as it is by the paucity of data and analyses published to date in India on this subject. Most of them are scattered and fragmentary. Nevertheless it already appears possible, at the present stage of development reached by Indo-African relations, to define India's African project in its triple aspects: economic, political, and strategic.

Moreover, they seem today to be more and more linked to each other, which was not the case in the past, since Indo-African economic relations did not really develop until the latter half of the 1960's, and since the strategic interest did not emerge until the militarization of the Indian Ocean at the very beginning of the 1970's. What is qualitatively new in the 1980's, no doubt, is precisely the fact that for the first time India's economic, political, and strategic policy is taking on an overall internal coherence.

#### Penetration of the African Market: From Cotton Goods to Joint Ventures.

It is in this domain that Indian aggressiveness is most clearly marked. The essential point is not so much to note the gross figures for Indian trade or investments in Africa--which are still slight <sup>1/</sup>--as to discern the underlying trend in developing Indo-African economic relations.

Four points should be noted:

The first concerns the tendency towards geographic diversification of Indian trade, which still appears to be in its first stage. Up to now the major portion of Indo-African trade has been with north Africa, especially Sudan and Egypt, and east Africa, including particularly Kenya, Tanzania, and Zambia. But for the past few years it can be seen that India is seeking to multiply its trade contacts with central and west Africa, where it is opening trade missions, publishing brochures in French, and sending employer or political delegations.

The second concerns the nature of products exchanged. Traditionally India's major imports were agricultural products or raw materials (cotton, cashew nuts, a few minerals), and its principal exports were textiles and tea. For the past few years, however, it has staked more and more on its exports of engineering, electrical machinery, and light industrial equipment--in a

word, of more highly finished products with higher added value than in the past.

The third has to do with India's very concept of its trade with Africa. That, in its view, must tend to go beyond the strictly commercial context of trade in order to fit into a broader vision of Indo-African cooperation. The first large delegation of Indian industrialists to visit Africa, in 1964, clearly noted that India must not plan to "develop broad commercial relations with Africa without seeking to transcend the strictly commercial limits of those relations .... The problems, plans, and strategies of African economies must be taken into account in trade policy."<sup>2</sup> The second such delegation, in 1966, similarly concluded: "Development of trade with Africa must go beyond mere exchange of goods so as to permit closer participation and assistance in developing the economic life of Africa."<sup>3</sup>

Finally, the fourth point relates to development of Indian investments in Africa in the form of Indo-African joint ventures. As the report of the 1964 delegation states: "The new commercial techniques require our active participation in establishing industrial joint ventures on as broad a scale as possible .... Trade can represent but one facet of economic relations, which must extend to other forms of collaboration, as in investments and technical assistance."<sup>4</sup> In recent years such joint ventures have in fact developed in the most varied fields, including paper, textiles, razor blades, engineering, ship equipment, jute mills, tractor assembly, steel mills, tiles, etc.

Those four types of development point up one of the orientations of South-South cooperation as conceived by Indian officials and industrialists, and one which in this instance illustrates the penetration of the African market by private Indian capital. The Indian government, for its part, intervenes in such matters as approval of industrial projects abroad; liberalization of legislation on taxation or credit facilities offered by the Industrial Development Bank of India; the holding of fairs in Africa (the first Indian trade fair was held in Nairobi in 1962); or various types of aid useful for promoting Indian services or products in Africa, such as its backing in 1963 of the India-Africa Development Association joining Indian industrialists and businessmen interested in Africa, its grants of scholarships to African students, or its direct or indirect aid for training of African technicians.

There is hardly any doubt, in our view, that the movement is destined to continue. Indeed, it comes at a time for India in which the continuing low level of domestic consumption contrasts with the considerable growth in profits earned by large Indian industrial groups, and with the growth of Indian technology, and so in fact tends to limit domestic markets for Indian production. Thus it allows Indian capital to take advantage abroad of technologies perfected in India, and this at a time when Africa is beginning to be in a position to absorb them. The sparse aggregate figures to be found particularly indicate that creation of joint ventures not only gives rise

to repatriation of funds, but also and especially to a cumulative effect on exports. Thus a study made in early 1979 of the 196 joint venture projects abroad then approved by the Indian government estimates that the sums brought back to India represent about a tenth of total investments abroad, and that additional exports occasioned by the joint ventures even exceed the total of those sums, or more than 700 million rupees. That study is justified in concluding that "each joint venture ... functions as an Indian exports promotion office in the country concerned."<sup>2</sup> In addition it can be said that the development so described tends to form a structural link in the pattern of exchanges between the two continents.

At a time when competition in the world market is becoming increasingly severe, it thus appears that India, because of its industrial strength and the low prices it can offer, is in a position to hold its own among many poorer countries. Of the 196 joint venture projects approved by India in 1980 and either under study or already in operation, 174 concern developing countries and only 22 involve developed countries. In the first category the major portion concern Asia, with 83 in southeast Asia and 14 in southern Asia; next come Africa with 39, and the Middle East.

It is understandable that in such conditions Indian employers today are closely linking economic and political objectives, and urging the government to pursue a policy of active presence in Third World and nonaligned countries. This is shown, for example, in the conclusion of a report by a delegation of the powerful Federation of Indian Chambers of Commerce and Industry (FICCI) following a 1977 visit to Africa: 'Programs leading to economic and technical cooperation among developing countries will henceforth play a pivotal role in international development strategy. The deliberations of nonaligned countries have contributed in no small way to the creation of a favorable environment, which for India is both a challenge and an opportunity.'<sup>6</sup>

#### The Indian Diaspora: Asset or Handicap?

We add that in Africa Indian business circles benefit from the presence of a considerable Indian community. This is particularly the case on the east coast of Africa. Apart from South Africa, which India boycotts economically and with which in consequence it has no direct commercial relations, and where live approximately 800,000 people of Indian origin, the most recent estimates indicate that over 900,000 Indians live in Africa, including the Reunion-Mauritius archipelago. On the African continent itself the four countries with the greatest Indian populations--excluding South Africa mentioned above--are Kenya, Tanzania, Zambia, and Mozambique.<sup>7</sup>

This Indian diaspora is very active in the fields of commerce and small manufacturing. In Kenya, for example, it is said to control 80 percent of retail trade. Generally speaking, it has retained many of its habits and customs, including that of castes. Its standard of living is below that of

the white community, but higher than that of native Africans. Those characteristics most often make its insertion into African countries a sensitive matter, as was again shown by the incidents in Kenya in August 1982 at the time of the attempted coup, when the Indo-Pakistani community was in fact the most affected by the disorders which followed. A Kenyan saying has it that "their hearts are in India, their livelihood is in Kenya, and their money is in England." It could easily be that of other African countries as well. In South Africa itself the Indian population visibly aspires to a status as close as possible to that of the white community, as was shown by the recent decision of the mestizo labor party to take part in the constitutional reform process initiated by the white minority party in January 1983.

At all events, that Indian diaspora is perceived by Indian business circles as a factor which should support and contribute to their economic strength. The commercial know-how and relative wealth of the Indian communities constitute their principal advantages as seen by Indian capital. When Indian capital turned its attention to Africa early in the 1960's, Indian financial and industrial circles at once considered it in their interest to count on the presence of Indian enterprisers in Africa, as was emphasized in the report of the first sizable delegation of industrialists to visit Africa, in 1964. Indian employer circles never hesitate to emphasize the value of the work accomplished in Africa by the Indian community, which at times responds directly to official purposes. As an example, we cite here the report of a delegation from the Federation of Indian Exporters which visited Africa in 1980. It notes with regard to Zambia that "appropriate attention must be directed to that community in order to help it establish small industries." Concerning Kenya, it is emphasized that "the Indian community which has existed here for generations is very influential and prosperous," and that "it would like to go from trade to manufacturing," a transition in which it would be advisable to assist it because of potentially fruitful fringe benefits for Indian capital and trade.<sup>7</sup>

The attitude of Indian official and governmental circles, on the other hand, is radically different. New Delhi is determined openly to keep its distance vis-a-vis emigration. In Indian law, moreover, overseas Indians can have no other nationality than that of their country of settlement, and are foreigners on the same basis as any others. It will be noted that such was not the attitude of the Indian nationalist movement before independence. That movement then took into consideration the defense of the interests of Indians abroad, who as all Indians were victims of British colonialism. "Wherever an Indian goes in this wide world," said Nehru in 1930, "a bit of India goes with him."<sup>8</sup> A future Indian socialist party leader, R. Lohia, even went so far as to say at the time that "overseas Indians ... can act as unofficial embassies of the National Congress Party."<sup>9</sup> Nehru began to assert the opposite even before the outbreak of World War II: "I think the Indians of Africa have done a great deal. Some have also made high profits. I think Indians in Africa, or elsewhere, can be useful to the community. But we see their role only on this basis: priority must be given to the interests of the peoples of Africa."<sup>10</sup> Thereafter that attitude was no longer

to be repudiated; the government would not hesitate, when it felt the need, to castigate the conduct--harmful in its eyes--of those Indians in Africa who "think they are still living in the 1920's, believe in castes,<sup>12</sup> think in terms of regions, and have not been able to adapt to new times."

The motivation of Indian leaders in this matter is quite clear. They know very well that the opposite attitude could not fail to be interpreted by African governments as interference in their own affairs, and would strike a blow at development of intergovernmental relations. That concern explains why at the height of the massive expulsions of Indians from Uganda in 1972 India managed to keep a cool head.

Ida Amin, it will be recalled, brutally expelled the major portion of the 73,000 Indians then living in that country, of whom 30,000 had acquired Ugandan citizenship.<sup>13</sup> Despite that, India--which was hardly overjoyed at the prospect of taking in a large number of refugees, of whom many had British citizenship but whom England did not want to accept--refrained from any untimely statement. It rejected any notion of asking for UN aid, which would have led to internationalization of a crisis it intended to resolve at a strictly bilateral level, either with Uganda or with Britain, so as not to allow acrimony to develop. It succeeded, by not breaking off diplomatic relations with Uganda at any time, and by signing with that country in 1975 an agreement for compensation of Indian nationals expelled.

India, as is seen from those examples, will take no action which might hinder its political designs in Africa.

#### A Discreet and Moderate Policy

"In the last analysis," said Nehru in 1947, "foreign policy is the resultant of economic policy .... Whatever may be the policy we have to implement, the art of conducting a country's foreign policy consists in seeking out what is most advantageous for that country."<sup>14</sup> There can be no better way of saying that the political aspects of India's African project flow from its economic objectives.

That project appears to be structured around three aims or desires: that the idea and practice of nonalignment should progress in Africa; that moderate and stable regimes should be established there; and that Africa should cease to be a pawn in East-West confrontation, which through its repercussions in the Indian Ocean can threaten India's security.

The first point concerns the capacity of African countries to pursue a policy of independence. The more effective this is, and the smaller the neo-colonial influence, in New Delhi's view, the more will African countries be able to diversify their foreign relations, and so the more will India benefit from that trend. Since 1947 successive Indian governments have constantly repeated that, basing their appeals on the common Indo-African heritage of anticolonial struggle. "We are most especially interested in emancipation of colonized and dependent peoples and in theoretical and practical

recognition of equal opportunities for all races."<sup>15/</sup> In point of fact, and at least in principle, India has steadfastly defended the cause of independence for African peoples. As early as 1946 it was the first country to bring before the UN the question of apartheid in South Africa (Mahatma Gandhi's long stay in that country, which spanned more than 20 years and during which he developed his principles of political action, no doubt contributing to making the Congress Party sensitive to that question). Throughout the decolonization process India intervened before international forums, or in bilateral discussions with colonizing powers, to stress the need to open a dialogue with national liberation movements. Examples of such action virtually coincide with the number of African states existing today, whether they belong to French or to English speaking Africa. To cite only the most recent, India broke off diplomatic relations with Rhodesia in 1965, imposed on itself a total embargo on trade with that country, then took satisfaction in the creation of Zimbabwe. And today it extends its political support to the SWAPO of Namibia, which was warmly received in New Delhi on the eve of the nonaligned summit just held there, and to the ANC of South Africa as well.

One obstacle to Indian policy, however, cannot be left unmentioned, for it has caused its support of African countries--with rare exceptions concerning particularly the former Portuguese possessions--to a position of principle: in its foreign relations India has always given priority to those with Europe. It has thus been concerned lest its developing relations with Africa be detrimental to its ties with England and France. That priority objective, which led Nehru, for example, to explain the need for decolonization in terms of the need to maintain good relations between Asia and Europe,<sup>16/</sup> caused India to adopt a policy of extreme prudence towards armed liberation movements.

As a general rule in the case of countries colonized by Great Britain--that is, countries in which there was virtually no armed conflict--India upheld demands for independence. Where there was a considerable white community, India did not stint its efforts to lead the Indian community to join in the struggle of the African peoples. But it does seem that each time the conflict took a violent turn--as in Kenya at the time of the Mau-Mau revolt, India withdrew into a prudent reserve so as not to strain its relations with Britain within the Commonwealth. In the case of countries colonized by France, and particularly those which had to engage in armed conflict, India confined itself to positions of principle--which led it to withhold recognition of the GPRA [Provisional Government of the Republic of Algeria],<sup>17/</sup> for example. There is not the slightest doubt of India's unwillingness to affront France, which indeed it praised at the time of the return of French possessions in India, and whose importance on the international scene it has never underestimated. Its attitude towards Portugal, by contrast, was much harsher. True, it was forced into it by Lisbon's refusal to discuss the question of Goa. In 1955 Nehru still refused, in these terms, to resort to force against Portugal: "If we accept the idea of using the army to solve our problems, we cannot deny that same right to other countries. That is a matter of principle."<sup>18/</sup> India, as we know, finally had to reconcile

itself to military intervention against Portugal, and Angola was one of the very few African countries to which it granted aid--modest at that--for its armed struggle. But it will be observed that the backward Portugal of the 1960's and 1970's played such a marginal role in European politics that such a policy was hardly likely to cause great repercussions in Europe.

To this day, India remains true to that policy. It is generally very discreet in matters which might raise thorny political questions. The Polisario, for example, is not recognized by New Delhi, although India consents to private discussions with its representatives; and it refrained from criticizing French intervention in Zaire in 1977.

It must be noted that as yet India has hardly been repaid in kind by African countries. But perhaps that very moderation weakens potential support by the most left-wing states, while it is not enough to attract those still under the thumb of their former colonial powers. At the time of the Sino-Indian conflict of 1962 India could only note the lukewarmness of African reactions. That was not, however, for lack of diplomatic efforts on its part.<sup>18/</sup> It even seems probable that the relative disappointment it then felt led it thereafter to pay greater attention to Africa. Such at least was the policy followed by Nehru's successor L. B. Shastri. He indeed appears to have played a great role both in the 1964 defeat of plans to hold a second Afro-Asian conference in Algiers (after that of Bandung), which he feared would be turned into a propaganda rostrum for China, Pakistan, and Indonesia, and in plans for the Cairo conference of nonaligned states, whose final declaration--though without echoing Indian themes--did allude to the sacred character of frontiers.<sup>19/</sup> A relatively identical scenario recurred in 1971 with the creation of Bangladesh. The religious aspect of the question then surely counted heavily. Egypt played a particularly obstructive role, stressing the unity of Pakistan, a Moslem country,<sup>20/</sup> despite several approaches by Indira Ghandi and Indian parliamentarians. The prime minister of Mauritius, for his part, went to Pakistan in February 1971 to sign a joint communique underscoring the need for a peaceful solution of the conflict.<sup>21/</sup>

#### India and East-West Rivalry in the Indian Ocean

The very prudence of India in its support of a policy of independence for African states reflects its liking for moderate states. It never admits this bluntly, but all its actions show that one of the strategic orientations of its policy is to avoid, insofar as possible, any risk of political radicalization in Africa. True, it intends to take its stand with the Third World and the exploited and against the exploiters. But everything happens as if it thought that to follow along positively and calmly with world developments is the best means of limiting the "risks" of revolution or installation of communist regimes. Thus when India condemns repressive actions by this or that colonial power, or maintenance of apartheid in South Africa, it is always by evoking the disastrous upheavals which could result for Africa. Highlighting in a few sentences the whole course of action by India

during the Congo incident of 1960--the only instance of Indian military involvement in Africa, and that through a contingent under UN command--former Indian ambassador to the Congo D. N. Chatterjee wrote 20 years later: "To pacify the Congo and immunize (sic) it against communism was more complicated for America than for India. The latter is not obsessed by communism. Its positions were generally in agreement with those of most of its Afro-Asian friends in the Third World .... India, not having great power status, did not have the obligation to assume primary responsibilities for management of the Congolese crisis."<sup>22</sup> Do not those remarks serve to justify, a posteriori, the words of an analyst of Indian foreign policy who compared it to that of Nasser: "A basic factor in Nehru's and Nasser's opposition to colonialism was fear of communism. They understood better than the Western powers that colonialism and its continuation carried the real seeds of communism. By opposing colonialism and supporting national independence movements they strove as much to combat communist infiltration as Western colonialism."<sup>23</sup>

That being said, India nonetheless takes account of realities, and develops its relations with countries whose domestic political views it does not share. The 1982 exchange of visits by Indian and Mozambican leaders offers a recent example. Indira Ghandi's words in Maputo were warm in tone. She emphasized that both countries shared a "common approach to problems of world peace," and that her visit, four months after that of President Machel to India, was "a sign of the close relations between the two countries and of their high esteem for each other."<sup>24</sup> She declared both countries faced the same challenge, that of "permeating the social content of their actions with political freedom."<sup>25</sup>

In that process, and whatever the practical effect of its efforts, India tends to undermine the logic of blocs. In that respect its action is again in keeping with one of its interests, insofar as East-West confrontation has effects directly harmful to its security and regional policy. To radiate as it intends to in its region, India needs a zone of peace and stability in the Indian Ocean area, within which it is the major power apart from South Africa. It is clear that the less East-West rivalry there is in the area, the more elbow room India will have. To that extent it is in its interest that Africa should no longer be a pawn for the great powers. Moreover, it is evident that any military presence in an ocean which marks its two coastal frontiers, and any potential conflict there, would ipso facto raise questions of security for India. Those concerns, which are shared by virtually all countries in the region, have found expression since the early 1970's--that is, precisely since the militarization of the Indian Ocean--in terms of the notion of that ocean as a "zone of peace." India will henceforth attach great importance to it, and the somewhat mixed Indian reaction to events in Afghanistan surely must be in part attributed to anxiety at seeing the United States seize on those events to continue strengthening its military apparatus in the region, considerable as it already is with the Diego Garcia base and the rapid deployment force. We note moreover that India--a nuclear power, though officially its nuclear capability is being developed for civilian purposes only--does not demand denuclearization of the Indian Ocean, but only its transformation into a zone of peace.

That attention directed by India to the Indian Ocean finds more and more frequent expression today. At the time of her visit to Mauritius and Mozambique in August 1982 Indira Ghandi several times reaffirmed her country's now traditional policy. A communique signed with the Mauritian prime minister recalled the common objectives of the two states: nonalignment, rejection of superpowers and nuclear arms production, and recognition of Mauritian sovereignty over the Chagos Archipelago and Diego Garcia.<sup>26</sup> The visit to Maputo, besides allowing the Indian prime minister to reaffirm her support of the struggle by Mozambique, Namibia, Zambia and other African states against South Africa, and of those being waged by the African National Congress of South Africa and the SWAPO of Namibia<sup>27</sup>, led her also to stress the need for transforming the Indian Ocean into a zone of peace.

In its three dimensions, India's policy towards Africa thus perfectly illustrates the role that country is henceforth in a position to play in the world, and more particularly among poor countries--a role it can play even though sub-Saharan Africa is not the privileged sphere of its action. Everything indicates that this phenomenon, whose long term growth in part derives from India's aptitude for pursuing its internal development in a climate of stability, will continue in the coming decade. Analysis of the past shows that India's initial political interest in Africa has for the past 15 years or so become more and more tied to economic motivations. India knows it is one of the new industrial countries which Africa needs in order to diversify its relations, at the very time when the North's domination of the South is increasingly questioned by new nationalist elites, and when inter-African economic relations are stagnating at a very low level or even declining. If African imports of industrial and mechanical equipment of Indian origin, for example, represent according to New Delhi 25 percent of all imports by the African continent in that category,<sup>28</sup> the figure is far from negligible. Still more remarkable is the underlying process. Though in truth it is today just beginning, it indicates that Indo-African trade tends to bring about cooperation agreements structurally linking relations between the partners. The fact that India in 1981 became the twenty-third nation to participate in the African Development Bank group indicates that it intends to continue in that direction.

Central to India's action in so doing is the defense of its national interests as seen by its managing class, within which the upper bourgeoisie weighs very heavily. It does not forget that African states represent over half of all nonaligned states, and that the nonaligned movement is one means of developing its world influence and preserving its independence. Nor does it forget that everything affecting the Indian Ocean has a bearing on its security. And it knows that in view of the path it has chosen to internal development, its expansion into foreign markets is a present necessity for its great store of private capital.

What advantage Africa can derive from these new relations remains to be seen, and this will clearly differ from country to country. It is to their interest, in our view, to emerge from neo-colonialist or imperialist domination,

while at the same time loosening the hold of East-West confrontation. The three dimensions of India's African project can be considered as responding to that concern. At the same time, it is impossible to disguise the fact that Indo-African economic relations quite certainly operate essentially for the benefit of India and its private capital. Here again is found a dimension of South-South relations which certain writers <sup>29</sup> are beginning to emphasize, and which reflect a world reality: one part of the South is richer than the other, and within it internal differences tend to grow. Among the nations of the South India unquestionably belongs to the "rich" group. This factor cannot be neglected, for it gives substance to certain apprehensions in Africa--based also on the role and conduct of Indian communities in Africa--concerning a possible will to domination on the part of India; it rests, however, on a level of Indo-African cooperation and trade still too slight, in our opinion, to pose a real problem at present. And is not India itself aware of this factor, since it shows such great prudence with regard to all the thorny problems dividing the African continent?

#### FOOTNOTES

1. Over the years the proportion of Indian exports to Africa varies from about 6 to about 9 percent of total Indian exports. For imports of African products by India, figures vary from 3 to 10 percent from year to year.
2. FICCI, Federation House, Report of Indian Industrialists' Goodwill Mission to Some African Countries, New Delhi, Sep 64 p 50.
3. FICCI, Federation House, West and Central Africa, India-Africa Trade Series, New Delhi, Mar 66 p 9.
4. Report of Indian Industrialists' Goodwill Delegation, op. cit.
5. FICCI, Federation House, Workshop on Indian Joint Ventures and Project Exports. Background Paper, New Delhi, 1979 p 10.
6. FICCI, Federation House, Report of Indian Industrial Delegation to Some African Countries, Oct-Nov 77, New Delhi, 1977. In 1980 another delegation of exporters immediately placed the importance of India's contribution to African development aid in the context of reduced aid by industrialized countries to less developed countries (cf. Federation of Indian Export Organisations, Indian Consultancy Team to Tanzania, Zambia, Kenya and Nigeria, May 1980, Report, New Delhi, 1980, Introduction).
7. Source: THE ECONOMIC TIMES, New Delhi 16 Aug 82. These figures can be taken here only as estimates. Their basis is indeed relatively imprecise. At times census figures are lacking, and it is often difficult if not impossible to number those Indians who in 1947 chose, or reportedly chose Pakistani nationality. These are to our knowledge the most recent indications by THE ECONOMIC TIMES for sub-Saharan Africa:

79,000, of whom 91.8 percent chose Kenyan citizenship; Tanzania: 59,000 or 93.2 percent; Zambia: 22,600 or 39.8 percent; Mozambique: 22,043 or 98.9 percent; Nigeria: 15,000 (0 percent as published); Ethiopia: 2,350 or 19.2 percent; Ghana: 1,250 or 3.5 percent; Somalia: 1,072 or 16 percent; Lesotho: 1,020 or 78.4 percent; Botswana: 820 or 61 percent; Zaire: 700 or 28.6 percent; Uganda: 430 or 69.8 percent; Benin: 250; Cameroon: 150; Burundi: 150; Senegal: 80; Gambia: 80; Rwanda: 60; Swaziland: 45; Central African Republic: 41; Congo: 30; Gabon: 20; Ivory Coast: 20; Upper Volta: 15; Mali: 10; (Note: Figures for Kenya appear underestimated).

8. Indian Consultancy Team for Tanzania, Zambia, Kenya and Nigeria, May 80, op. cit. pp 10, 12.
9. Gupta, A., "Indians Abroad in Asia and Africa: the Problem," AFRICA QUARTERLY, New Delhi, Oct-Nov 67 p 308.
10. Ibid.
11. Current Affairs Publications, "Nehru on Africa," New Delhi, 1954, cited by R. K. Tangri, "Asians in Kenya: a Political History," AFRICA QUARTERLY, Jul-Sep 66 pp 116-117, note 50.
12. Address by Lakshmi Menon before an "international forum" "Overseas Indians Today" cited in AFRICA DIARY, New Delhi, 7-13 Mar 64, pp 1644-45.
13. Figures given by Indian Government to Parliament. AFRICA DIARY, New Delhi, 2-8 Sep 72, pp 6125-28.
14. "India's Foreign Policy: Selected Speeches of Jawaharlal Nehru," Sep 46-Apr 61. The Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi, 1961 (speech of 4 Dec 47, pp 24-28).
15. Ibid., speech of 7 Jul 46.
16. Ibid., speech of 22 Mar 49, p 48.
17. Ibid., speech of 17 Sep 55, p 115.
18. For details on Indian efforts, see AFRICA DIARY, New Delhi, 1-7 Dec 62 pp 887-90; 16-22 Feb 63 pp 1009-11.
19. See Singh, L. P., "India's Foreign Policy: the Shastri Period," New Delhi, Uppal Publishing House, 1980, chapter IV.
20. See AFRICA DIARY, New Delhi: 18-24 Jun 71 p 5515; 1-7 Oct 71 pp 5655-57; 3-9 Dec 71 p 5746; 5-11 Nov 71 p 5705.
21. See AFRICA DIARY, New Delhi, 5-11 Mar 71 p 5356.

22. Chatterjee, D. N., "Storm Over Congo," New Delhi, Vikas Publishing House, 1980, p 21.
23. Rahman, M. M., "The Politics of Nonalignment," New Delhi, Associated Publishing House, 1969, p 211.
24. Cf. HINDUSTAN TIMES, New Delhi, 26 Aug 82.
25. Ibid.
26. HINDUSTAN TIMES, New Delhi, 24 Aug 82.
27. Ibid., 26 Aug 82.
28. See M. C. Celeste, "Difficulties of a South-South Dialogue in the Face of Domination by the Industrialized World," LE MONDE DIPLOMATIQUE, Jul 81.
29. See for example J. Lemperiere, "South-to-South Trade: Progress and Contradictions," POLITIQUE ETRANGERE 2, 1971, and by the same author, "More and More, the South Supplies Itself," LE MONDE, 12 Oct 82.

6145  
CSO: 4619/77

BUDGET OFFICIAL COMMENTS ON ECONOMY

LD081757 Tehran Domestic Service in Persian 1030 GMT 8 Aug 83

[Excerpts] In a press, radio and television conference given today, Mr Banki, minister of state in charge of plan and budget organization, reported on the state of the nation's economy from March 1982 to March 1983. He commented on the issues raised in that report to our correspondent.

[Begin Banki recording] In the name of God, the compassionate, the merciful, [Short break in transmission during which the radio announcer apologizes the interruption and reads item on education] In spite of the fact that there are many other issues which should be discussed and reviewed, I have chosen three economic indicators which show the general state of the economy. These indicators include the GNP and our national income. In our country's economic report covering the years from March 1978 to March 1982, our GNP fell by an average of 10.5 percent each year. Beginning in March 1982, this fall changed to a rise, thank God, and our GNP rose by 2.2 percent for the first time. This growth has continued. According to our assessment, from 1982-1983 our GNP showed a 7.1 percent growth. This shows that, by the grace of God, our primary problems have been solved and we have achieved movement toward our objectives.

The gross Domestic Product per capita, which fell during the years from March 1978 to March 1982, increased by 4.5 percent in March 1982-March 1983. This shows that some of our problems in this area have also been solved, thank God.

Another indicator, which I have chosen to discuss, is the country's budget. This shows the infrastructural, defense, educational and health measures taken by the cabinet each year. When the government's consumption and capital costs rise, it indicates that the government has been able to promote investments and solve social problems. Indicators include in the government's budget are manifestations of this. All in all, the total current and development expenditure of the government for March 1982-March 1983 was 3,273 billion rials or 327 billion tomans. Of this sum, 233 billion tomans was current expenditure and 94.3 billion tomans was devoted to development expenditure. The government's development expenditure for this year showed an increase of 38 percent compared with the previous year. Of course, this was natural since the year 1982-1983 was a year when the political problems were experienced at the beginning of the previous year were solved and all honest and sincere forces were seriously working. Since our development expenditure shows a 38 percent increase, we should thank all those who have worked hard and helped to fulfill such an objective.

The government's expenditure has increased quite a lot during 1982-1983 as compared with the previous year. Our main source of revenue has obviously been oil. Our oil revenue showed an 80 percent increase.

Concerning prices, our revenues are basically tax revenues which showed an 11 percent increase in 1982-1983. These revenues are specifically from government owned companies, from professionals and craftsmen and from government employees; that is, income tax.

Regarding our budget deficit, the government has adopted a policy to reduce its deficit each year. We had our biggest budget deficit in the year 1981-1982 when we drew 77 billion tomans from our banking facilities. In 1982-1983 we were able to reduce our loan to 56 billion tomans and next year we will do our best to reduce this figure even further. The figure forecast in our budget is 32.5 billion tomans which we hope to be able, with the grace of God, to reduce to a minimum figure below that of last year.

CSO: 4640/321

IRAN CLANDESTINE RADIO ON BAKHTIAR ADDRESS

GF061816 (Clandestine) Radio Iran in Persian 1330 GMT 6 Aug 83

[Excerpts] The celebration of the anniversary of the constitutional movement was held in a glorious manner in Paris yesterday. Dr Shapur Bakhtiar, the leader of the National Resistance Movement of Iran; Dr 'Ali Amini, the coordinator of the Front for the Liberation of Iran; and Gen Bahram Aryana participated in the ceremonies. Thousands of Iranians living in France and other European countries as well as some other Iranian figures living abroad participated in these ceremonies.

In a speech warmly appreciated by the crowd, Dr Bakhtiar praised the constitutional movement and those who gave their lives for it and said: Nationalist elements are now united in their efforts to establish freedom, national rule and constitutional monarchy. The aim now must be the formation of a system in which anyone will have the opportunity for progress depending on his abilities and intelligence. Under such a system there is no room for mullahs, fortunetellers, professional mourners and parasites.

Dr Bakhtiar, while stressing the necessity for respecting the rights of the minorities in any country which claims to be democratic said: Khomeynis, Islamic or Unislamic democratic republics and homemade (?kolkhozes) cannot talk about democracy.

During his speech Shapur Bakhtiar referred to the Iranian people's demonstrations on 5 August and said: The events which occurred in Tehran and other parts of the country forcing foreign correspondents to confess to it are worthy of praise in every sense. I wish to congratulate our dear compatriots, on your behalf and on behalf of all other Iranians for this patience and strength.

Shapur Bakhtiar reported that after lengthy deliberations the Council of Iranian Tribes has been formed and all living, struggling Iranian forces will soon have their headquarters both in Iran and abroad.

In another part of his speech Shapur Bakhtiar said: We refugee and yet struggling Iranians have clear duties toward our imprisoned brothers and sisters in Iran. The more suffocating the atmosphere becomes due to the pressure of these knife-wielding professional mourners, the more our determination to liberate Iran becomes greater. He praised young officers who have gone to Iran under very dangerous circumstances and have carried out their missions and returned irrespective of all the dangers.

EDITORIAL PRAISES 'GALLANT RESISTANCE' OF GILAN-E GHARB

LD132122 Tehran IRNA in English 1951 GMT 13 Aug 83

[Text] Tehran, 13 Aug (IRNA)--"The savage bombing of Gilan-e Gharb by the ghoulish Saddamite agents was not unexpected, since one cannot expect little more from Saddam and his likes than brave escapes from battlefronts, nicknamed "retreat," and outrageous bombing of homes, mosques, and schools, and thereby martyring women, men and children and infants who are all civilians residing in residential areas," wrote the daily JOMHURI-YE ESLAMI in its editorial today entitled "Gallants of Gilan-e Gharb." Excerpts follow:

"The silence of the international organisations and the so-called human rights circles about the crimes of Saddam is no new thing. Moreover one can hardly expect anything from them but silence indicating their de facto and de jure endorsement of the crimes perpetrated by Saddam who is the lackey of the super-powers.

"The plots of the news imperialism of the East and the West are not new either, since they only reflect and cover with great hue an cry the news which fit their own interests such as the execution of smugglers, spies, and criminals who were carrying out their biddings, while on the other hand they keep silent over the crimes of Saddam who is treading precisely their own path, and serving their interests.

"This bombing, the silence and those new imperialist conspiracies are not new. What is notable here is the location of the town, and the ferocity of the bombing. The question is that why Saddam chose Gilan-e Gharb for his bombing and why the Saddamite agents used cluster bombs with such ruthless barbarism?

"The answer to the first question is that Gilan-e Gharb, however small, has been putting up the most heroic resistance in the face of the tottering Saddam army. In the very first days of the Iraqi imposed war against Iran in October 1980, the Iraqi savage forces attacked Gilan-e Gharb. The people of the town sent their children and wives to the remote areas and themselves stood up to the savage Ba'thist forces. Using their old rifles against modern Iraqi tanks, they killed tens of the Iraqi soldiers (?ridding) the town of the Iraqi criminals. From those very days, Saddam was intent on taking revenge from the youth and people of Gilan-e Gharb.

"The answer to the second question is that as the people of Gilan-e Gharb had dealt a fierce blow on the Ba'thists by expelling them from their home, therefore Saddam resorted to a fiendish revenge by using cluster bombs to vent out his spite against them.

"But Saddam, must have realised that even these frenzies will not do anything but precipitate his fall. Each drop of blood shed from a Gilan-e Gharb man or woman will send one anti-Saddam fighter to the fronts and Saddam cannot escape from the. Now Saddam has to pay for these crimes and the people of Gilan-e Gharb will launch a campaign to eliminate Saddam and his clique, as well as bosses of Saddam and those who provide him with cluster bombs."

CSO: 4600/834

MUSAVI DISCUSSES ARMS SOURCES

GF161400 Tehran TEHRAN TIMES in English 21 Jul 83 p 1

[Text] Tehran--Prime Minister Hoseyn Musavi here yesterday categorically denied claims by the Western media alleging Iran of having purchased arms from the West through South Korea.

Speaking after a cabinet meeting, he referred to such reports as baseless rumours aimed at marring the achievements of the Iranian combatants.

"Because of severe economic sanctions imposed on Iran in the world, we obtain our arms through our representatives in the free market and so far no arms have been purchased from the United States," he said.

He added the U.S. had refused to deliver those arms to Iran ordered and paid for under the shah's regime. He further remarked that the U.S. administration owed Iran large sums of money for oil which was sold to the U.S. during the early days of the Islamic revolution. The prime minister stressed that both these cases would be brought up at The Hague.

The Iranian people should know that the U.S. Government has not stopped its oppressive moves and continues to commit acts of violation at The Hague. However, he pointed out, "we will powerfully stand against any violation at The Hague."

As for the current meeting of oil ministers of 13 OPEC countries in Helsinki, Finland, which along with other issues was to choose the future secretary general of the organization, he said that it was obvious that Iraq and a number of other countries would create problems. "We have decided not to retreat a step because the next secretary general of OPEC should be elected from Iran with unanimity of votes," he added.

Finally, on the imminent trip of the Lebanese President Amin al-Jumayyil to the U.S. Musavi said that there have been attempts to make the Syrian troops pull out of Lebanon. Following signing of the agreement between the Zionist regime and the Lebanese Government, pressure to make the Syrian forces leave Lebanon has increased. "We hope that our Syrian brothers who are in the frontline of the struggle against Zionism, will resist and turn their forces into firm supporters of the movement of Moslim people of Lebanon," he concluded.

CSO: 4600/838

## BRIEFS

STEEL PRODUCTION RISES--The production of the Esfahan steel plant will rise to 700,000 tons this year when the new rolling mill goes into operation. This would greatly eliminate the shortage of iron beams in the country. [GF161430 Tehran KEYHAN International in English 7 Jul 83 p 2]

NEW POWER PLANT--A new power plant in Esfahan began operation. It has a capacity of 55 megawatts per hour with two turbogenerators and began operating with an initial capacity of 40 megawatts of power per hour. [GF161430 Tehran KEYHAN International in English 7 Jul 83 p 4]

TRADE WITH BRAZIL--Tehran (IRNA)--A 70-man Brazilian trade delegation headed by the director general of foreign trade of the country's Finance Ministry, Carlos Viacava, left Tehran yesterday morning following talks with Iranian officials and signing of letters of understanding which will increase volume of trade to \$1 billion a year. The delegation which arrived in Tehran last Tuesday included trade representatives from private and public sector who explored possibilities of expansion of trade relations between Iran and Brazil. Prior to his departure Viacava told IRNA that following the victory of the 1979 Islamic Revolution of Iran trade relations between the two countries had expanded. Following talks held with the Iranian officials, he added, it was decided that Brazil would purchase dates, pistachios, caviar and handicrafts from Iran and in return export sugar, vegetable oil and industrial items to Iran. In conclusion of the talks a letter of understanding was signed increasing the annual volume of trade between the two countries to 1 billion, he said. On the basis of the agreement, Iran would export goods worth \$600 million to Brazil and import goods worth \$400 million, the Brazilian official said. [Text] [GF141346 Tehran TEHRAN TIMES in English 25 Jul 83 p 2]

ROMANIAN PRIME MINISTER MET--Tehran, 13 Aug (IRNA)--Iranian ambassador in Romania Ahmad Ajalloeian met with Romanian Prime Minister Constantin Dascalescu on Friday. Discussing two countries relations, Iranian ambassador talked about plots of the world oppressors of East and West, [words indistinct] of their lackeys in the region against the Islamic revolution of Iran and Iranian Muslims and Saddam's recent crimes of bombing residential areas in Gilan-E Gharb, west of Iran, which left 575 wounded and 50 martyred. The Iranian ambassador said that Saddam was not capable of fighting the Iranian combatants on the fronts, therefore he committed such crimes and mass media of the world oppressors kept silence on such occasions. He added Iranian nation, with their faith, would resist against imposed peace by superpowers until the aggressor was punished despite the aid extended by East and West to Saddam. He said Iran will continue the war until the fulfillment of its rightful [words indistinct] for the achievement of genuine peace. [Text] [LD131437 Tehran IRNA in English 0923 GMT 13 Aug 83]

## ESTIMATE OF 1983-1984 BUDGET GIVEN

Kathmandu THE RISING NEPAL in English 11 Jul 83 p 1

[Text]

Rs. In Thousand

<u>Actuals of 1981/82</u>	<u>Summary</u>	<u>Revised Estimate of 1982/83</u>	<u>Estimate of 1983/84</u>
5,36,13,14	Total Expenditure	6,94,91,00	9,52,26,13
1,63,43,83	Regular	2,14,06,00	2,42,92,90
3,72,69,31	Development	4,80,85,00	7,09,33,23
<b>2,67,95,40</b>	<b>Sources of Financing</b>	<b>3,05,55,55</b>	<b>4,30,60,00</b>
	Revenue		3,90,20,00
	Existing Sources		40,40,00
	Tax Proposals		
99,33,04	Foreign Aid (Grants)	1,39,46,96	1,66,59,74
79,96,25	Bilateral	1,17,70,57	1,34,31,47
19,36,79	Multilateral	21,76,39	32,28,27
<b>—1,68,84,70</b>	<b>Surplus(+) Deficit(—)</b>	<b>—2,49,88,49</b>	<b>—3,55,06,39</b>
	<b>Other Sources</b>		
72,98,82	Foreign Aid (Loan)	1,14,11,15	2,33,46,48
10,98,31	Bilateral	9,86,71	30,65,47
45,68,21	Multilateral	99,24,44	1,97,81,01
16,32,30	Reimbursement Receipt	5,00,00	5,00,00
50,00,00	Internal Loan	1,00,00,00	1,21,59,91
50,00,00	a) Bonds & Bills	1,00,00,00	86,59,91
	b) Bonds (for non)	X	
	Banking Sector only)		35,00,00
<b>45,85,88</b>	<b>Cash balance</b>	<b>35,77,34</b>	<b>X</b>
	<b>(Surplus—)</b>		

HIGHLIGHTS OF 1983-1984 BUDGET REPORTED

Kathmandu THE RISING NEPAL in English 11 Jul 83 pp 1, 6

[Text] Enhancement of the income tax limit for individuals reduction of duty on low grade cigarettes and bidis and reduction of sales tax on such essential items as pen, pencils and milk bottles are some of the highlights of major tax proposals in the budget for the next fiscal year presented to the Rastriya Panchayat Sunday.

To motivate the proprietors for improving the existing facilities in the cinema halls, the entrance fee and new rates of the entertainment tax have been increased.

Some of the major tax proposals are:

The exemption limit of income tax for an individual has been raised from Rs. 10 thousand to Rs. 15 thousand and for a couple or for a family has been raised from Rs. 15 thousand to Rs. 20 thousand.

With regard to the urban property the existing registration fee that went up to 21 percent for the purchasers and sellers of property has been revised that purchasers will henceforth pay only 5 percent and sellers

will have to bear 7 percent of the value of the property to be registered.

As for the written partition deeds the rate charged has been reduced from 7 to 5 percent.

To promote further transactions among institutions the 3 percent rate charged by the commercial banks in their lending operations to the institutions has been abolished.

With a view to promote export of dry ginger and processed leather, the export duties on such items have completely been lifted.

Export duty on wheat bran, linseed and herbs have been reduced.

Export duty on the export of oilseeds, sal seeds, and sabai grass in unprocessed forms have been raised.

With a view to maintain environmental balance and to protect natural resources of the country export duty has been raised on gypsum, and all sorts of stones including magnetite and sands.

In order to provide incentive to domestic production import duties on noodles, bricks, vegetable ghee, electrical wires,

woolen threads, cartridges, explosives, tooth pastes and powders and utensils made of stainless steel have been raised upto 15 percent and surcharges on such items have also been raised up to 5 percent.

Import duties on items like van, minibus, telephonic equipments, silk clothes, synthetic clothes, soaps etc. that do not adversely affect the low income groups and lead to the enhancement in the revenue collection have been raised.

In order that there may by proper use of the facilities provided by the existing baggage rules some alterations have been made in these rules.

Excise duties on low grade cigarettes and bidis have been reduced.

There has been reduction of sales taxes on essential items like pen, pencils and milk bottles of children. But such taxes on cocoa, cocoa mixed chocolates, clothes made of synthetic yarn, corogated sheets etc. have been raised.

In order to promote tourism, tourist industries have been provided with the facilities of getting 20 per cent of foreign exchange earned by them.

EFFORTS TO REDUCE PRICES SEEN AS 'CHEAP PUBLICITY'

Kathmandu THE MOTHERLAND in English 21 Jul 83 p 3

[Editorial: "Nominal Reduction"]

[Text]

Soybean oil is not usually consumed by people of Nepal and its price has been reduced by Rs. 2.50 per litre. The oil is lying idle with the government because of this. Since it was received as aid its price could have been lowered by 50 per cent to popularise it and the government would have nothing to lose. The government to show its real concern should have in fact lowered the price of mustard oil which is so extensively used. Besides, it is one of the most essential consumer items in this country.

The cut in the price of parboiled rice is only by 25 paisa per kilo. Thus a family consuming a kilo of rice would be benefiting only by 25 paisa which is nothing. Added to it will be the botheration to stand in queue for hours. Moreover, most of the people in low income group do not buy this rice which more often than not is found in a rotten state and as such the majority of the people do not stand to gain from this reduction.

Reduction in the tariff of power by a maximum of ten percent also is ridiculous in the sense that

the people in power now were the ones who had raised such a hue and cry over the increase of the price of power. the government now ousted had raised the price of power by 58 per cent all of a sudden. The government should not have taken recourse to such cheap publicity stunt. People are groaning under the rising price and the publicity stunt of the government will not help it to win the confidence of the people who ultimately matter and it is they who need relief in the real sense. The nominal reduction can only disillusion the people about the government.

CSO: 4600/807

COMMENTARY ON FORMER PRIME MINISTER'S 'IGNOMINOUS EXIT'

Kathmandu THE MOTHERLAND in English 12 Jul 83 p 3

[Editorial: "Ignominous Exit"]

[Text]

Politics of manipulation at its best or worst is what Nepal has been in the past couple of days. The twists and turns which the politics of the country took have been unprecedented in its history. Even those RP members who have become instrumental for the fall of 35-member strong Council of Ministers did not perhaps know that things could take a turn so fast. Prime Minister Thapa who is facing a humiliating vote of no-confidence with his 13 faithfules at the time of writing did not know that he would meet the tragic end with so much mortification. The biggest ever Council of Ministers which he thought was his forte has crumbled to pieces somewhat mysteriously. Tragically, he did not have any premonition or else he would not have declared in the House that he was not going to oblige his opponents by resigning from the Premiership.

Though considered to be a very shrewd, cool and calculating politician, Thapa failed to understand how forces not happy with him worked fast to precipitate his downfall. His complacency that only 41 members were against him and his calcu-

lation that he could bargain with quite a few of them shows how ignorant he is of the obtaining reality in the country. He could have saved his face, but did not and therefore deserves the ignominy that he now faces. His graceless exit should be a lesson to others who succeed him. The possibility that his successor may not indulge likewise in misdeeds and maladministration cannot be ruled out. We have never known a Prime Minister in the past who was not corrupt and whose integrity was not questioned. The only difference is Thapa surpassed them all. And so unless something is done now, the future will continue to be as disappointing as ever.

CSO: 4200/807

AIR SERVICE TO DUBAI PLANNED

Kathmandu THE RISING NEPAL in English 11 Jul 83 pp 1, 6

[Text]

Royal Nepal Airlines' scheduled flights on the proposed new Kathmandu-Karachi-Dubai route will start October 2, 1983.

This is pursuant to the conclusion of recent air agreement between RNAC and PIA, according to an RNAC press release.

Initially the flight will be operated once a week.

Total flight time oneway from Kathmandu to Dubai will be 4 hours 30 minutes, whilst Kathmandu-Karachi is 2 hours 55 minutes and Karachi-Dubai will be 1 hour 35 minutes. There

will be stoppages of 40 minutes at Karachi both ways.

The flight by Boeing 727 will depart Kathmandu every Sunday at 1700 hours and arrive at Karachi at 1915 hours local time, and will depart from Karachi at 1955 hours and arrive at Dubai at 2030 hours local time. The Boeing will leave Dubai on Monday at 8.30 hours, arrived Karachi at 1105 hours and will leave Karachi at 1145 hours and arrive in Kathmandu by 1305 hours. (RSS)

CSO: 4600/807

#### NEGATIVE ASPECTS OF TOURISM DISCUSSED

Kathmandu THE RISING NEPAL in English 15 Jul 83 p 5

[Article by Shyam K.C.]

[Text] It is often proclaimed by the Nepalese Government that the benefits and prosperity of tourism should not be enjoyed solely by the urban population. In fact, a growing chorus is asking, "What prosperity?"

Last year Nepal earned US\$50 million worth of foreign exchange from tourism. However, it spent about \$35 million importing goods and services for those tourists and the remaining \$15 million went on a few travel agencies and hotels.

Not even Kathmandu has done well. The inflation caused by the tourist boom of 1970s raised the prices of virtually all foodstuffs. Until then Kathmandu Valley grew enough vegetables for its own needs but now it has to import from India. Land is being taken over by new buildings, in particular hotels, and the valley will probably never again grow enough to feed the cities of Kathmandu, Lalitpur and Bhaktapur--and the tourists.

Yet organized trekking across the countryside to the foothills of the Himalayas, to the fabulous mountains of Everest and Annapurna, is meant to take the dollar into the depths of the country. The walk to the Everest base camp is now so popular that between May and October there are more tourists in the region than local residents.

In places like Manang, at the foot of Annapurna, there are few ways to earn cash and so when tourists push up local prices most local people are unable to afford even the meanest staples.

There are benefits for some however. "Hundreds used to migrate seasonally from Manang to Kathmandu or to India each year to seek work. Now they run small tea stalls on trekking routes and live on these earnings, says Dr Harkha Gurung, former Tourism Minister and former vice-chairman of the national planning commission.

"Elsewhere some have even taken to farming vegetables without any direct encouragement from the government," he adds. But he too feels that the benefits

of tourism have, in the words of a Tourism Department official, yet to "percolate down to the rural people, even in the remote areas". He notes that travel agents in the US, for example, take 70 per cent of the tourists' fees and the rest goes to Nepalese agents to meet food and lodging costs.

For organized trekking parties, food is taken from Kathmandu, so the local economy is left untouched. Individual hikers pay for huts along the way and fees range from 20 to 50 US cents a night, but such travellers are in the minority.

"We have not been able to develop ancillary industries that feed directly into the tourist industry," notes Karna Sakya, a commissioner of the International Union for the Conservation of Nature and Natural Resources, and the owner of a tourist class hotel. "It is these industries (furniture-making, textiles, transport etc.) that create employment and actually reflect the benefits of tourism."

Apart from the scant benefits, there are negative side effects. Trekkers are cutting so much wood for firest that this is accelerating erosion along the trails. Even litter along the walkways is becoming a problem.

But it is too late turn back. The government is committed to making Nepal "the tourist destination of South Asia", according to Minister of State for Tourism, Deepak Bohra. The government licences as a travel agent anyone who can produce a certain amount of capital and so the numbers of such agents have mushroomed over the past few years.

"Nepal cannot survive at the moment without tourism," says Karna Sakya, and even Dr Gurung says that tourism is the nation's only future resource". It is the largest single modern industry in the kingdom. But Dr Gurung believes that the government should make and enforce certain laws. First trekking agencies should purchase as many of their requirements as possible in local villages as well as using local labour. These agencies should also be held responsible for maintaining the balance and beauty of the environment which, after all, draws the tourists in the first place. "It should be compulsory for all trekkers to carry their own fuel--gas or kerosene--for cooking purposes and should not cut down trees," says Dr Gurung.

"We have the carrying capacity for twice the number of tourists who visited last year (about 162,000); and if the people have not benefited to the anticipated extent it is because a correct policy is lacking," says Karna Sakya.

CSO: 4600/807

STUDY REPORTS LIFE EXPECTANCY, OTHER FIGURES

Kathmandu THE RISING NEPAL in English 11 Jul 83 p 1

[Text]

The average life expectancy of Nepalese people has reached 45.5 years on the basis of the census of the year 2037 B.S.

The life expectancy of men and women is expected to be 47.5 and 44.5 years respectively, according to a working paper presented to the weeklong national workshopcum-seminar on population education by Vice-Chairman of the National Planning Commission Dr. Mohanman Sainju.

The working paper says that the density of population will reach 113.5 per square kilometer with in the current Sixth Plan.

Taking into consideration the growth of population in the year 2038 B.S., Dr. Sainju said that shortage in foodgrain production is expected to be worse.

Out of the total 4.3 million metric tons of

foodgrain produced in the 2031 B.S. actual shortage was 300 thousand metric tons while a shortage of 700 thousand metric tons was recorded in the 2037 B.S. when production was 4.2 million metric tons.

The cultivable land is also expected to decline to 0.202 hectare per person as a results of the census of 2038 B.S.

The density of forests is also expected to be 44.72 per square kilometer in 2042 B.S. in comparision to 340.07 per square kilometer in 2036 B.S.

At present there is one doctor for 32, 267 people, one hospital bed for 1,94, 373 people and one health post for 24,463 people.

The paper stresses on the need for checking the growth of population to bring about improvements as well as qualitative change in health services. (RSS)

CSO: 4600/807

CLOSE WATCH OVER FOREIGN INVESTMENTS ADVOCATED

Peshawar KHYBER MAIL in English 10 Jul 83 p 10

[Editorial: "New 'East India' Company"]

[Text] A good deal of hush-hush and mystery seems to define the activities of the representatives of the US-European multinational companies which have appeared on the Pakistani horizon lately to seek "investment opportunities" here. Maybe, there is no mystery to certain business circles in the country already acting as the springboard of this new international "East India Company", or maybe for others also. But, to the general public they have defined no clear-cut lines of thinking. Nor has it been given a "haven and a name" by others, beyond that they are out to bring a lot of money and a lot of technology with them. The pretty Mrs. Heering, in television interview, did hit the the head when she said the "multinationals represented firms whose aim is primarily to make money for their share-holders and they have to find ways and means to do so." She, however, side-tracked all the questions of Mr. Masood Mahmud aimed at making her defining

the actual areas of interest. Mr. Zimmerman, who is named as a Jew (and we hope he is not a Zionist), did identify some areas of interest while generalizing in others. These areas give an indication that the new efforts would go to the grassroots of the Pakistani society, in the innermost rural areas of the country. For, one of the "groups" of the US-Spanish interests, was supposed to enter into the areas of transport which would tackle the most unexpected terrains in the rural areas with the "trailors" they are likely to put into the market. Another, the US-French, is likely to set about a "container" service, with their vacuum plastic containers, for the shipment of the rural product to the cities or the port for onward transhipment to other countries. It may be noted that these new innovations are likely to hit the present transport systems, owned by local interests, howmuchsoever inadequate they might be unless the introduction

of the new means is placed at the disposal of the same interests, and the multinationals are prepared to remain simply on the manufacturing side of them. This has not been quite clear from the public pronouncements made till date.

We are sure, however, the Government would be alive to this danger, and would only restrict the activities these companies to the production side only. Of course, they have also to consider whether the present lines of communication, especially on the trunk roads are ready to take the load of the new innovations or not. We are aware that the Federal Government has lately taken up the broadening of the main artery between Karachi and Peshawar on an urgent basis, and the completion of this project might coincide with the fulfilment of the projects for the trailers. But, it may also need to broaden some of the feeder links as well. The hope expressed by Mr. Zimmerman and Mrs. Heering that the Pakistan-based industries set up by them would open new vistas of interests extending to the Middle East and China, should set any doubts at rest that the projects would remain only to the fabrication area only. But, this opens a new area of doubt, whether the new industries would simply act as the clearing-ground of pre-fabricated parts for assembly in Pakistan or create total grounds for manufacture. In the case of the former, there could hardly be any transfer of technology in-

volved, while at the same time creating only few job opportunities, and therefore no use to this country which has been altogether a happy hunting-ground for assemblies. What we need is total fabrication from the first step till the last, with the use of all available manpower locally and the lowest recruited from outside. Promises to increase manufactures after organising assemblies have usually not been kept. This should be guarded against.

Multinationals, with very wide interests, especially of the United States, have not had a very fair reputation in most parts of the Third World, where neither technology has been transferred nor a wide local base of manpower utilised. On the other hand, the interests have forced multinationals to guard their interests interfering in the internal affairs of the country as well as in pursuit of a world policy of the State Department in Washington. These multinationals have come to have an interest very much of the type the East India Company had when it first came to trade with the nations of the East, such as India and stayed on to conquer and subdue. We hope the agreements would take into account all these factors and lay down positive measures to guard against. At the same time, we would suggest that all steps towards the arrangements in hand should be known to the general public, so that different points of view may be expressed against or in favour of the

proposals. After all, the everlasting interests of the nation are involved, and any action in that direction should be taken with the full acquiescence of a consensus. At the same time, no agreements should be entered into unless they actually take into account the potentialities of a full-fledged transfer of technology and not merely an eye wash, as has been done hitherto in many areas.

CSO: 4600/803

## PAKISTAN

### PAKISTAN-JAPAN ECONOMIC COOPERATION REVIEWED

Islamabad THE MUSLIM in English 21 Jul 83 pp 7, 8

#### [Text]

JAPAN has a long-established and flourishing relationship with Pakistan in the economic field. Japanese economic relationship may be classified into two main types:-

- 1) Official Development Assistance (ODA) including Technical Cooperation, offered to Pakistan on Government-to-Government basis since the end of 1961.
- 2) Private Sector-based economic cooperation including trade which has been in existence for three decades.

#### OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Japan is a member of the Aid-to-Pakistan Consortium. In this capacity, she has been extending capital assistance to Pakistan since November 1961. Till December 1980, Japan had provided a total of 783.6 million dollars in Official Development Assistance (ODA) to Pakistan (Commitment basis).

Japan is acutely conscious of the difficulties faced by Pakistan following the massive influx of Afghan Refugees as an aftermath of the extraordinary conditions prevalent in her neighbouring country. Appreciating the importance Pakistan has assumed for peace and security in this region of the world, Japan decided to enhance substantially its ODA to Pakistan and, in FY 1980-81, pledged a total of 32.56 billion yen which was more than double the amount committed in FY 1979-80. Having become the No. 1 donor country for Pakistan during 1979 when her economic and technical cooperation accounted for 40.3% of the total foreign bilateral assistance received by Pakistan that year, Japan has held this position in years 1980-and-1981. It was ahead of

some international agencies during the fiscal year which ended in March 1982, with its total aid for the period exceeding 44.4 billion yen (U.S. \$ 194 million). During the current fiscal year Japanese assistance (Exchange of Notes Basis) has totalled 33.55 billion yen (\$134.27 million) as of November 30, 1982. Notes in respect of the 2.8 billion yen KR-II Grant are expected to be signed in December 1982.

Official Development Assistance comprises three main categories (a) Project Loans which accounted for 36.3% of the 1981-82 ODA, (b) Commodity Credits which formed 34.5% of fiscal 1981 assistance, and (c) Grants-in-Aid which were 18.6% of the total aid in FY 1981-82.

#### (a) PROJECT ASSISTANCE

Since FY 1976-77, when the Overseas Economic Co-operation Fund (OECF) of Japan took over the responsibility of managing Japanese ODA, the two countries have signed 14 agreements under which Japan has placed a total of 89.2 billion yen for financing the projects named in Table A.

#### (b) COMMODITY CREDITS

Since FY 1976-77 a total of 78.638 billion yen (U.S. \$336.2 million) has been made available to Pakistan for the purchase of commodities under ten separate agreements.

During this period, Japan has been improving the Terms governing these Credits. Rate of Interest has been reduced from 3.5% to 2.75% per annum repaying period has been increased from 25 years to 30 years, with ten years as grace instead of seven.

FISCAL YEAR	PROJECT	AMOUNT
		(In Million Yen)
1976-77	— Thatta and Dandot Cement Plants	10,500
1977-78	(i) Electronic Switching Systems	1,900
	(ii) Gas Turbine Power Station, SITE, Karachi	6,500
1978-79	(i) 397 Bulldozers	4,000
	(ii) 7 cargo vessels (Special Yen Loan)	18,000
1979-80	— Extension of Kotri Gas Turbine Power Station	2,400
1980-81	(i) 38 Diesel Electric Locomotives	9,000
	(ii) Hydrographic Survey Vessel	3,000
1981-82	(i) Upgradation of 500 KV Transmission Line	12,200
	(ii) Extension of Quetta Gas Turbine Power Station	2,000
	(iii) Coastal Microwave System for Baluchistan	1,900
1982-83	(i) Diesel Electric Locomotives (Manufacturing Factory)	9,760
	(ii) Second Earth Satellite Station and Second Electronic Gateway Exchange, Islamabad	4,840
	(iii) Additional 3 RF Channels Network between Karachi and Peshawar	3,200
TOTAL:-		89,200

Japanese commodity credits provide considerable help to Pakistan in coping with its balance of payments difficulties. The scope of eligible commodities is very wide, enabling Pakistan to purchase almost anything it needs. The coverage of eligible source countries is also very wide and includes all the LDC and OECD countries. Under the Commodity Loan, the loan agreement of which was signed on December 22, 1980, purchases were made among others, from Japan (23), West Germany (3), USA (22), Italy (10), UK (10), Korea (9), other developed countries (25), and developing countries (4).

#### c) GRANT ASSISTANCE

Japanese Grants-in-Aid to Pakistan since January 1977 have totalled 34.247 billion yen (U.S. \$ 149.07 million). These were extended to finance the social welfare oriented projects of Pakistan in the fields of Telecommunication Research, Malaria Eradication, Medicine, Water Supply and Road Construction. These included grants for promotion of food production (9,200 million) and as Debt Relief measures (2,597 million). Significant grant-aided projects were:-

#### (d) DEBT RESCHEDULING

Japan has, on several occasions since 1972 extended debt rescheduling facilities to Pakistan. Between October 1972 and October 1977, seven debt rescheduling

1. General Grants	
1) Road Construction	5,700
Machinery and Workshop Equipment (NLC)	
2) Road Construction	2,000
Machinery for Frontier Areas (FWO)	
3) Darya Khan-D.I.Khan Bridge Construction Equipment (OCP)	1,150
4) Road Construction	2,000
Machinery for Baluchistan	
5) Building and Equipment for Central Telecommunication Research Laboratories, Islamabad.	2,200
6) Construction of 200-Bed Children's Hospital in Islamabad.	1,800
7) Improvement of Medical Facilities	950
8) Malaria Eradication Programme	2,200
9) Equipment for Centres of Excellence in Pakistani Universities	1,000
10) Saranan (Baluchistan) Drinking Water Supply Project	420
Other Project	3,030
Total General Grants	22,450
2. Food Production Increase Grants	9,200
3. Debt Relief Grants	2,597
Total Grant-in-Aid	34,499
(As of November 30, 1982):—	

agreements, totalling 46.1 billion yen, were signed between the two countries. In FY 1981-82 Japan again rescheduled debts worth 4,723 billion yen, in addition to providing 5.438 billion yen debt relief loan in the form of commodity credits.

#### TECHNICAL COOPERATION (1954-NOVEMBER 30, 1982)

Since Japan joined the Colombo Plan in 1954, it has been extending technical cooperation to Pakistan in various forms and different fields. Japan's technical cooperation programme is managed and sponsored by Japan International Cooperation Agency (JICA).

During the fiscal year 1981-82, JICA received a total of 64 Pakistanis for training in Japan and assigned the services of eleven Japanese experts in the field of telecommunication research, leather processing, Ceramics and textile research. The total number of trainees accepted by JICA since 1954 comes to 1,091 and the number of JICA experts despatched to Pakistan totals 255 (as of November 30, 1982). (In the current year, so far 33 trainees have been accepted and 11 experts assigned).

Under its Technical Cooperation Programme, Japan has undertaken feasibility studies and development surveys for many Pakistanis projects. During FY 1981 Japan despatched 16 Survey Teams comprising 81 experts for a total of 54.2 man/months. In the current year, so far 12 teams have visited, comprising 67 experts. Since 1954, as many as 558

Japanese experts have been despatched to Pakistan on such surveys. Japanese Technical Co-operation aims at transfer of technology to the recipient country. Under Project Assistance, also, this aim is being achieved in a few cases such as the manufacture of 17,000 DWT Cargo Vessel in Karachi Shipyards under a Special Yen Loan. The Japanese Loan Agreement for the purchase of 38 Diesel Electric Locomotive provides that eight of these will be supplied in CKD condition and will be assembled in Pakistan. For achieving transfer of technology in the field of railway transportation, Japan is keenly interested to cooperate in the establishment of a factory in Pakistan which will undertake progressive manufacture of locomotives in this country.

Japan has also donated some sophisticated technological equipment to Pakistan for use, mainly, in the field of telecommunication training and research, leather processing and ceramics. The value of such equipment supplied to Pakistan between the fiscal years 1954 and 1981 amounted to 740 million yen (IN the current year, equipment worth 47.54 million has been donated so far.)

In addition, Japan has extended Project-Type Technical Co-operation to Pakistan in Telecommunication Research. This embodies a package of expert advisory services, training of counterpart personnel and equipment donation. The Central Telecommunication Research Laboratories in Islamabad (CTRL) have been established under this scheme. Japanese co-operation for CTRL will continue

till March 1984. Japan is also providing such cooperation for the Pakistan Industrial Technical Assistance Centre (PITAC) Lahore.

#### Private Economic Cooperation

Private Sector-based economic relations between Pakistan and Japan may be classified into two main categories: (a) Trade and (b) Business Extension Activities.

##### (a) Trade

Trade between Pakistan and Japan is an important feature of their economic relations. Reviewing the six-year period from 1976-77 to 1981-82, it is evident that Japan has maintained its position as the Second or First topmost trading partner of Pakistan sharing from 12.25 to 9.74 of Pakistan's global trade during this period. TABE

Major items exported by Japan to Pakistan include road motor vehicles, iron and steel and its products, machinery and man-made fibre. Japan's imports from Pakistan consist mainly of raw cotton, cotton yarn, leather and fisheries.

PAKISTAN-JAPAN TRADE						
	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Imports from Pakistan	912.6	1,107.9	1,669.8	1,812.7	1,877.3	2221.7
(Share)	(8.1 )	(8.5 )	(9.9 )	(1.7 )	(6.4 )	(8.5 )
Exports to Pakistan	3,291.6	3,322.4	4,148.7	5,422.4	6,187.8	7116.7
(Share)	(14.3 )	(11.9 )	(11.0 )	(11.5 )	(11.5 )	(12.3 )
TOTAL	4,204.2	4,430.3	5,818.5	7,235.1	8,065.1	938.8
(Share)	(12.25 )	(10.86 )	(10.9 )	(10.280)	(9.7 )	(11.1 )
Position	II	I	II	I	II	II

#### (b) Business Extension Activities

The investment climate in Pakistan over the past few years was not necessarily attractive for the Japanese entrepreneur. However, the interest of Japanese businessman in Pakistan is being revived and already two business ventures with Japanese collaboration have been sanctioned for Karachi by the Export Processing Zones Authority.

Japanese automobile concerns are collaborating with their Pakistani counterparts for the progressive manufacture of transport machinery in Pakistan. (Suzuki and other motor-cycle companies) Recently, a tri-lateral collaboration between Japan, Pakistan and Qatar has started production of glassware near Lahore.

CSO: 4600/803

PAKISTAN-SAUDI JOINT JEEP ASSEMBLY PLANT DEAL DISCLOSED

Islamabad THE MUSLIM in English 22 Jul 83 p 8

[Text]

KARACHI, July 21: Pakistan has struck a deal with Saudi Arabia for the establishment of a jeep assembly plants on a joint venture basis. Initially 5,000 jeeps will be assembled in that plant which is to be set up in Saudi Arabia.

This was disclosed by the chairman of Pakistan Automobile corporation, Major General (Retd) M. Jalaluddin in a Radio news conference broadcast over national hook-up tonight.

The chairman said details of the project were yet to be worked out. The government, he said, had okayed the project. Answering a question, General Jalaluddin said, another Rs. 46 crore project had been sanctioned assembly and gradual manufacture of chassis of trucks and buses in Pakistan. A leading Japanese automobile company "S Hino" would be collaborating in the establishment of the project in which initially 1,500 chassis would be assembled. He said that its capacity would go up to 6,500 in three years time. Within six years, 85 per cent local components would be used in the manufacture of bus and truck chassis in that plant.

He told another questioner that PACO was also negotiating with another Japanese concern, "Toyota Motors", for the establishment of plant for the production of Toyota cars.

He said it was the aim of the PACO to produce two types of standies cars in the country. Toyotas offer is still at negotiation stage, he added.

The Chairman said that PACO's project for the manufacture of wheel rims for different vehicles and tractors would be commis-

ioned in Lasbela district (Baluchistan) in September next.

He said that a British firm is collaborating in the establishment of the project known as "Baluchistan Wheels". He said that 2,50,000 wheels of cars, trucks and tractors would be produced in the plant for which Asian Development Bank had provided financial assistance.

General Jalal told another questioner that within few months, local parts would be utilised in the Suzuki car plant here. He said that they expected production of ten thousand cars during the current fiscal year at the rate of 800 cars per month provided there is no unforeseen circumstances. He said that they had so far delivered 4,500 cars to the customers during the last ten months.

He said that so far booking of 18,000 cars had been done and those who booked included "speculators" as well. He said that the performance of the Suzuki plant, set up with Japanese collaboration, is better than expectation and the customers had well received the cars.

The Chairman said the PACO unit had developed know-how of manufacturing containers. He said that they had supplied locally manufactured containers to the national logistic cell. He added that they could also manufacture ship containers in Pakistan.

Answering another question, General Jalal said that during the outgoing fiscal year, 23,000 tractors were sold to farmers in the country. It comprised both locally manufactured and imported ones.—APP

FIGURES GIVEN ON WORKERS ABROAD

Islamabad THE MUSLIM in English 25 Jul 83 p 6

[Text]

LAHORE, July 24: According to the official statistics available with the bureau of immigration and over-seas employment 137540 Pakistanis left the country for employment abroad during last year.

According to the details 99119 persons left through the private sector or promoters, 38,147 directly and 74 through the public sector.

Main centres from where the migration took place included Karachi, Lahore, Rawalpindi, and Gujrat.

Category wise distribution reveals that unskilled labour constituted the largest number of workers, i.e. 57,596 labourers.

The second largest group falls under the category of masons, numbering 11,345 followed by drivers numbering 10,370 the BE and OE report reveals. Among the educated professional workers, agriculturists migrated in the largest number during the last year, i.e. 5371. The second biggest group of educated migrants comprised of 630 accountants. Only six doctors migrated during the year 1981-82.

The largest number of Pakistani migrants (82,226) went to Saudi Arabia followed, Abu Dhabi (20,535) and Iraq (16,530).

The fact that Libya, the once biggest employer of Pakistani workers, has imported only one Pakis-

tani worker last year and Dubai, where at least 40,669 Pakistanis are living at present, has imported only 26 Pakistani indicates a shift in the Labour - Import Policy of the Middle - Eastern countries. Reasons of this shift are stated to be:-

... Competition with cheaper labour from South Korea, Philippines and India completion of development and construction projects in the Labour-importing countries, other economic reasons, and ... internal and external political situation.

However, according to the old estimates, about 1,680,618 Pakistanis were living abroad at the end of 1982.

They had sent home 10007.68m during the last 10 years i.e. from 1972 to 1982.

It may be mentioned here that the annual amount of remittances sent to Pakistan has increased from 123.77 million dollar in 1973 to 2224.94 million dollars in 1982. In other words the amount increased more than 17 times during last 10 years. While the number of migrants increased from 234840 during 1973-77 to 656805 during 1978-82 i.e less than three times.

Out of the 939,208 Pakistani worker who migrated abroad in 1971-82, 424,175 to Saudi Arabia 123,359 to Abudhabi and 89,804 to Oman. -PPI

CSO: 4600/803

PAKISTAN

BRIEFS

BUGTI ON SHARING POWER--LAHORE, July 19--Nawab Mohamad Akbar Bugti, a former Governor of Baluchistan, said here yesterday that Baluchistan will "not remain a silent spectator in case the MRD starts a movement on Aug. 14". Talking to 'The Muslim' before his departure to Quetta yesterday Nawab Akbar Bugti talked of "excesses committed by the Punjab". Nawab Akbar Bugti, however, made it clear that none of the political elements in Baluchistan have entered into any sort of agreement with the MRD. "But we want our due share in rule this time". The former Baluchistan Governor referred to his demand of 'national autonomy' and said it is our basic demand. He, however, was ready to defer the matter for the time being because he thinks that "by raising this question at this time we will be strengthening the hands of the present government". He also denied that there were any differences among sardars in Baluchistan over the issue. "If at all there were differences they were just like those among brothers but even then I want to make it clear that we will not allow these differences to help the present regime in any way. [Islamabad THE MUSLIM in English 20 Jul 83 p 8]

CSO: 4600/803

END